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Latin America

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Madrid EFE on Peru-Ecuador Border Incident

Peruvians Stopped at Border

PY1309211695 Madrid EFE in Spanish
1858 GMT 13 Sep 95

[FBIS Translated Text] Lima, 13 Sep (EFE) — For the past few days, Ecuadoran military officers at "El Telegrafo" checkpoint, 14 km from the international bridge between Peru and Ecuador, have been stopping Peruvians from going beyond Huaquillas, Ecuador.

According to a report published today by EL COMERCIO, there are currently 12 Peruvians in Aguas Verdes, Peru who returned from Ecuador on 9 September after being detained at the aforementioned military post.

The information obtained by the Lima daily states that the Ecuadoran military personnel told the Peruvian citizens that "the opening of the border is only for trade purposes and not for entering Ecuadoran territory."

It was disclosed that the Ecuadoran citizens, currently in Tumbes, Peru, were carrying their passports signed by Migration Office officials in Huaquillas, on the border.

According to the Zarumilla (Peru) Migration Office, since 11 September 40 Ecuadorans have entered the country without any problems, some of them carrying safeconduct passes which give them the freedom to circulate in Peruvian territory.

It was disclosed that Ruben Paredes, Ecuadoran consul in Tumbes, is in Machala, Ecuador, where he arrived yesterday to inform his government about this problem which, it was stated, is "due to a misinterpretation by the Ecuadoran military personnel."

Peru reopened its commercial border with Ecuador on 4 September. The border was closed by the two countries when they engaged in an armed conflict over a portion of the Amazon border between 26 January and 28 February 1995.

Ecuadoran Ministry Denies 'Clashes'

PY1309202295 Madrid EFE in Spanish
1830 GMT 13 Sep 95

[FBIS Translated Text] Quito, 13 Sep (EFE) — The Ecuadoran Defense Ministry today denied that Peruvian and Ecuadoran troops engaged in clashes at one of the border posts involved in the undeclared war waged at the beginning of the year, as was reported today by the local press.

After denying these reports, Colonel Carlos Badillo, the Defense Ministry spokesperson, told EFE that "many false reports are being issued and this is causing an unjustified alarm among the people."

According to a local newspaper, which in today's edition quotes Deputy German Mancheno from the Morona Santiago border province, "there have been clashes between Ecuadoran and Peruvian patrols in the vicinity of the Ecuadoran border post Lieutenant Hugo Ortiz."

According to Mancheno, the incident occurred "when Ecuadoran soldiers were trying to locate a missing border marker when they met Peruvian patrols on our territory."

Furthermore, the newspaper reports that "new and fierce clashes are taking place on the border in the vicinity of the Lieutenant Hugo Ortiz, Etza, and Soldado Monge outposts."

These outposts, among others, were the site of the armed clashes between Ecuadorans and Peruvians in January and February of this year which among deaths, injured, and missing resulted in 400 casualties for both sides.

Badillo said: "I have personally talked to the Patuca [Ecuadoran operations headquarters] brigade chief and there is absolutely nothing. He said that over there (the town of Macas) there is a very irresponsible gentleman who issues false reports."

He added: "Everything is absolutely calm. The (peace) negotiations are being conducted under normal terms. Moreover, both Ecuador and Peru have appointed their respective military representatives to the Military Observers Mission for Ecuador-Peru (MOMEP)."

The MOMEP, comprising military personnel from the guarantor countries (Argentina, Brazil, Chile, and the United States), is patrolling the Ecuadoran-Peruvian border in compliance with the Itamaraty (the Brazilian Foreign Ministry) peace agreement signed on 17 February and approved in March.

Ecuadoran-Peruvian ties are experiencing a detente. Bilateral ties improved after Peruvian President Alberto Fujimori visited Quito on the occasion of the Rio Group and Andean Pact summits that were held at the beginning of September.

Officers of 2 Nations Meet in 'Secret'

PY1409034595 Madrid EFE in Spanish
0413 GMT 13 Sep 95

[FBIS Translated Text] Lima, 12 Sep (EFE) — Three Ecuadoran military officers were in Peru more than 72 hours to hold meetings with their Peruvian counterparts as part of the peace process being carried out by the two countries, it was reported in Lima today.

According to information released by the ANDINA news agency, the Ecuadoran and Peruvian military officers held "strictly secret" meetings in Bagua, Amazonas Department, near the Ecuadoran border.

The report, which does not mention the rank or the identity of the Ecuadoran military officers, adds that they returned to Ecuador today.

The meeting was held six months after the cease-fire between the two countries which were involved in an armed conflict in the border region from 26 January to 28 February 1995.

The report says that the meeting is part of the process of the relaxation in tension and rapprochement between the military forces of the two countries, which is part of the new program established by the Ecuador-Peru Military Observers Mission (MOMEP).

The mission of observers is made up of representatives of the guarantor countries (Argentina, Brazil, Chile, and the United States) of the 1942 Rio de Janeiro Protocol, which established the border between Peru and Ecuador.

The news agency report adds that the Peruvian and Ecuadoran military officers coordinated actions "in absolute secrecy."

Chile's Frei Opens Continental Cooperation Meeting

PY1309160795 Santiago Television Nacional de Chile Imagen internacional in Spanish 1100 GMT 13 Sep 95

[FBIS Translated Text] President Eduardo Frei made an appeal for development within the framework of a truly democratic policy. The president made this statement during the opening of a cooperation meeting between Latin American and Caribbean governments.

One of the main challenges of the continent's democracies is to confront the varied and complex problems of the region, such as poverty, drug trafficking, terrorism, and corruption, just to mention a few, in a timely and efficient manner.

With this end in mind, outstanding advisers of the Latin American and Caribbean governments are currently meeting in Chile for the purpose of designing a governability plan.

During the opening of the event, President Frei asserted that in order to ensure the stability of our development, we must urgently tackle great tasks. He said that human rights must become a sort of basic culture of the republican institutions, as well as of the peoples' daily activities.

[Begin Frei recording] Our faith in democracy must be based on profound convictions. Democracy is not just any political system; it means acting in a civilized manner in politics. In two words, beyond democracy lies brute force, as elementary as that coming from a stone or that resulting from sophisticated technologies.

Let us admit that Latin American democratic convictions have failed many a time, and let us accept that there are many people in our region who devalue democracy because they label it with so many adjectives that smother the essence of the noun. [end recording]

Finally, Frei said that the Latin American governments must move toward the creation of just and fair states that decisively struggle to eliminate the poverty affecting millions in the continent.

Central American Economy Ministers Hold Meeting

PA1409004695 Guatemala City LA REPUBLICA in Spanish 11 Sep 95 p 6

[FBIS Translated Text] The Central American economy ministers, established as the Council of Ministers Responsible for Regional Economic Integration and Development [Consejo de Ministros Responsables de la Integracion Economica y Desarrollo Regional], have approved at Alajuela, Costa Rica, that several modifications be made to the regional trade regulations.

One of the agreements reached is the modification of the list of merchandise to be excluded in the free trade between Costa Rica and the rest of the countries in the area. This change will allow a greater flow of trade than the one registered in the past years.

The ministers also approved the regulation on the Central American origin of the merchandise, which will go into effect on 1 October 1995, and changes to the Central American import tariff.

Likewise, the economy ministers met with the agriculture ministers of the five countries in the area to review the way agriculture products have been handled up to now.

They agreed to make an updated study on the import tariffs used for agriculture products and other sensitive items, taking into account regional commitments and the agreements signed with the WTO.

The agreement stipulates that import taxes, which are higher than the Central American import tariff, will be excluded from the free trade list. Such items will mainly be sensitive products that present a distortion in the international market.

Secretariat of Central American Economic Integration (SIECA) reported that the ministers had also decided to evaluate the possibility of gradually eliminating duties based on how the countries, which apply subsidies and use disloyal trade practices, change their commercial policies.

Mercosur-Andean Group Merger To Net $17.6 Billion

PY1309214595 Buenos Aires TELAM in Spanish 1227 GMT 13 Sep 95

[FBIS Translated Text] La Paz, 13 Sep (TELAM-SEM) — The establishment of a free trade zone between the Andean Group and the Mercosur [Common Market of the South] would yield $17.6 billion in trade and more than $100 billion in exports.

Jaime Cordoba Zuluaga, a Colombian member of the Cartagena Agreement Board (Junac), mentioned these figures during the "Mercosur: A Business Option for the 21st Century" seminar being held in La Paz.

Cordoba emphasized that one of the priorities of the Andean Group involves enhancing its relations with Mercosur, not only for neighborliness reasons, but for Mercosur's economic and trade significance and for the possibilities involved.

Cordoba noted that the goal of the two trade blocs involves transcending the current trade agreements among its member countries and negotiating the establishment of an expanded free trade zone within 10 years.

In addition to significant trade and exports yielded by such a free trade zone, an agreement would allow the Andean and Mercosur countries to expand their regional market from 100 to 300 million inhabitants." [no opening quotation marks as received]

Cordoba added that the subregional groups are engaged in achieving a hemispheric free trade zone and negotiating to achieve points of agreement and to establish an Americas Free Trade Area [Area de Libre Comercio de las Americas] (Alca) by the year 2005.

Cuba

Official Reports on Lage's Talks in Mexico

PA1309234795 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Sep 95

[From the "National Radio News"]

[FBIS Translated Text] Cuban Vice President Carlos Lage gave a magisterial conference at the Mexican Foreign Secretariat office yesterday. Ambassadors and diplomats accredited at the Mexico Foreign Secretariat learned about Cuba's current economic situation at the event. This newscast obtained the statements of Ernesto Campo, official of the Secretary of Council of Ministers of Cuba's Office, who reported on Lage's activities the previous day.

[Begin Campo recording] Yesterday, the Cuban delegation, presided by Vice President Lage, and accompanied by Cuban Ambassador to Mexico Abelardo Curbelo Padron and First Vice Foreign Minister Fernando Remirez Estenoz, held a number of very important meetings. The most important was the interview with President Zedillo. Lage said this had been an excellent meeting. The meeting even lasted more than the scheduled 45 minutes. The exchange was enthusiastic — characteristic of the relations between both countries. Lage described the extended news conference, held at Los Pinos residence, in the same manner.

The conference was attended by approximately 70 to 100 local and foreign reporters from different media sources and many issues were broached during the event. Lage gave a general report on the topics that had been discussed with the Mexican president. The reporters who attended the conference asked many questioned about our country. They were especially interested on the economic reforms, the measures we are implementing, and specifically, on the recent foreign investment law that was approved in the country. [end recording]

After meeting with President Zedillo, Lage met with Mexican Foreign Secretary Jose Angel Gurria. They reviewed basic cooperation issues in a positive climate that corresponds to the status of the relations between Cuba and Mexico.

[Begin Campo recording] Two important meetings were held on one same day. Although it was not a news conference, it was also a good way to clarify our points of view and the general process taking place in the country currently. [end recording]

Robaina Welcomes Cambodian Foreign Minister

PA1409041795 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 14 Sep 95

[Report by Marta Moreno; from the "NTV" newscast"]

[FBIS Translated Text] Official talks began today at the Cuban Foreign Ministry. Cuban Foreign Minister Roberto Robaina welcomed Ung Huot, Cambodian minister of foreign affairs and international cooperation, and his accompanying delegation. Robaina said this visit provides an opportunity to thoroughly examine bilateral relations. It is also an opportunity to show how difficult the special period has been and still is for Cuba as well as the beginning of the recovery process.

Meanwhile, Ung Huot said this exchange is an important step to strengthen and develop relations between both countries. The Cambodian minister of foreign affairs and international cooperation is scheduled to meet with leaders of various sectors and visit centers of social interest as well as tourist sites.

Writer Discusses Future Economic Challenges

PA1209022895 Havana PRENSA LATINA in Spanish 0518 GMT 9 Sep 95

["Exclusive" report by Silvio Baro Herrera, World Economic Research Center expert: "Cuba: Present Economic Challenges"]

[FBIS Translated Text] The Cuban economy and society are immersed in a deep structural adjustment process. The purpose is to reorganize the Cuban economy and reinsert it in development and the world economy, which is in the middle of a strong globalization trend.

Because of the nature of the country's economic, social, and political situation, it is urgent that the Cuban economic authorities consolidate and strengthen the Cuban economy's relatively positive behavior in the first semester of 1995.

According to this urgency, the time factor constitutes the greatest challenge that Cuba must face. As shown by the country's experience in the 1990-1994 period, although the "economic time" and the "political time" move at different speeds, they do move. Under international circumstances like the present ones, where events take place at such tremendous speed and trends are complex and uncertain, we witness a noticeable reduction of the degree of freedom of undeveloped countries' governments to make decisions.

Another challenge that Cuba faces is the need to assess the initial economic measures introduced at the beginning of the so-called special period in peacetime and replace them as soon as they show they are worn out. At the same time, it is necessary to continue to introduce others that can contribute to modify the structure of our economy so it can be inserted more favorably into the world economy.

Despite progress in the instrumentation of economic measures since the National Assembly of the People's Power's period of sessions in May 1994, actions must still be taken in a number of fields to make these actions more consistent and systematic so they can reflect a true economic policy in the country.

Modifications in the property relationships in the country have had manifold implications, which have spread beyond the economic sphere.

The main implication, and the third challenge, is the fact that the measures previously mentioned split the local economy into two fully differentiated sectors, one which operates in freely convertible foreign currency and one which operates in local currency.

In a dynamic perspective, the essence of the challenge lies in things like the eventual impact of the predictable growth of the first sector over the Cuban economy and society, the future consequences of this fact over the second sector due to the objective impossibility of both sectors of the Cuban economy being completely separated, the Cuban state's capacity to make centripetal forces prevail over existing important centrifugal forces, and the erratic signals that can be produced by this situation, as it is already happening with the movements of qualified labor.

A fourth challenge derives from the previous consideration. Although the modifications in the forms of property have been implemented gradually, they in the long run brought about changes in the distribution relationships, a situation that will have to be watched so that reaching specific economic objectives will not imply a significant reduction of social budgets of long standing in the country, such as equity.

Splitting the economy into two sectors poses to the country's economic authorities the not postponable need — this is the fifth challenge — to instrument measures to gradually provoke a positive contact between the two sides in such a way that a number of national production items (in the agricultural, craftsmanship, manufacturing, and services areas) can be developed and sold to the so-called "emerging sector" to attain greater integration so the country can increase its revenue.

The sixth challenge that the country faces is developing an intelligent policy to attract foreign capital, a policy that will not imply granting excessive concessions which in turn could jeopardize the country's future and social economic development.

The current Cuban economic opening, especially the relations with foreign capital, poses another challenge, the seventh challenge: The consolidation and extension of this process have been so swift, they have surpassed the country's legal and institutional framework. Recent reports indicate that, in addition to the modifications already made in the state apparatus, the Cuban state is immersed in the study of other institutional changes, particularly in the banking sector, and in the analysis of such new legal guidelines as the recent approval of the Foreign Investments Law.

The eighth challenge lies in the fact that the country must simultaneously face the recovery and the ultimate development of the economy, as well as a radical change in its entry into the world economy. This challenge entails, among other things, reaching the international competitive levels in the production sector dealing with exports, which largely depend on the swift implementation of the scientific-technical innovations in production.

By itself, the scientific-technical progress poses another many- sided challenge for Cuba, the ninth challenge, given the current significance this sector has acquired. The huge expenses incurred in research and development, as well as the risks and uncertainty they entail, make inconceivable the fact that an underdeveloped nation could make investments in all the fields, let alone compete with the world's largest powers and their multinational companies.

The tenth challenge: sooner or later, Cuba must face the challenge of holding negotiations with its main creditors with a view to settling its foreign debt and being able to have a normal access to international financial markets.

Last but not least — quite on the contrary — it seems the country will have to keep facing its already traditional U.S. blockade, which does not seem to abate in the short run due to the influence very conservative sectors within the North American government have. The Helms-Burton Bill, which is geared toward the toughening and internationalization of the blockade against our country, is the most recent expression of the blockade.

National Bank of Cuba Offers Savings Accounts

PA1009042195 Havana PRENSA LATINA in Spanish 1306 GMT 9 Sep 95

[FBIS Translated Text] Havana, 9 Aug (PL) — The daily GRANMA today reported that the National Bank of Cuba (BNC) established the service of savings accounts in convertible Cuban pesos and in other foreign exchange, including the corresponding payment of interests.

According to the BNC, the owners of the savings and time deposit accounts [depositos a plazo fijo] could be individuals over 18, residents and non-residents in the country.

The daily also explained that the time deposit accounts could be opened for three, six, nine, or 12 months and will earn interests according to market rates.

In Havana, this service is offered in all the BNC branches and in several People's Savings Bank [Banco Popular de Ahorro] branches.

Minister Interviewed on Health Works Strategy

PA1109012495 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Sep 95

[Interview with Public Health Minister Carlos Dotres by Felix Fernando Garrido; place and date not given; from the "Evening Information Review" newscast — recorded]

[FBIS Translated Text] [Dotres] We have prepared a strategy to reinforce our public health works. This strategy includes five fundamental aspects: 1) Strengthening first aid. I think this is the most important aspect of the work at this time; 2) Equally important is the reactivation of our hospitals' vital roles; 3) Reinstatement of high medical technology programs, such as those dealing with cancer, kidneys, cardiovascular diseases; 4) Natural and traditional medicine; 5) Stomatology, eye disorders, ambulances, and homes for the physically and mentally disabled, and old people.

[Garrido] Mr. Minister, what role do dedication, love, and responsibility play in all this?

[Dotres] There are 300,000 health workers in the sector, which has always had a large number of workers. The special period in these times of peace has deeply affected some institutions and workers, and consequently the results of our work. All of this has led to a crisis in the health system. At present, however, the situation is completely different. We are not relying on more material resources, simply because we do not have them. And we should not create groundless expectations. Public health requires money, but in particular, much devotion and dedication from its people, its army of workers. Of 57,000 doctors, 27,000 are family doctors. We have 75,000 nurses and more than 70,000 technicians, including service workers and laborers. Our system is integrated and scattered throughout the country. We have been looking for unsolved problems through ministries, provincial public health directorates, and municipalities, not only for providing medical assistance, which is important, but to take preventive and health promotion measures, which is much more important. We want to get the community, from the country down to the provinces and municipalities, involved in the work through health committees, which have been helpful in this respect. Approximately 70 percent of the problems can be solved right where they appear.

A National Health Council has already been created, and similar committees have been created in most of the provinces. All organizations with health sectors sit down around a table, discuss the people's health as a fundamental problem, and try to solve as many problems as possible, such as sanitation. The idea is how to best act through the mobilization of committees, federations, and youth organizations. If we were to talk about the low weight of newborns because of pregnant women's malnutrition, we would discuss how to improve this condition in a specific locality. There are a million things the community can do to promote health. This is what we are after with this movement. This must work together with our technical weapon, medical attention by the family doctor in the community, a concept we need to keep improving. Doctors and the population should be aware of the importance of this work. This is a step toward the progress of the health system at a time when we are encountering a difficult financial and material situation.

Minister Explains Ban on Free Work Contracts

PA1209214395 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Sep 95

["Excerpts" of statements by Basic Industry Minister Marcos Portal before the National Assembly session in Havana; date not given; from the "Evening Information Review" newscast — recorded]

[FBIS Translated Text] In other words, up to now we have had people who understand the labor system for foreign investment. They understood it once we explained the reason there is no free contracting in the country. Currently conditions do not exist for freely contracting workers and we clearly reasoned, openly and without hiding anything, that the salary that our workers receive in Cuban pesos has a true value that often is not properly understood by our workers and our people.

This must be left very clear because it is precisely enemy propaganda that floods the country with information that an engineer, a technician, a teacher, a doctor, a worker earns between $4 to $5.

How do our workers, our boss pay for his electricity? He pays for it in Cuban pesos and the country spends

$300 million in fuel to generate electricity. The average bill for a Cuban family is 12 Cuban pesos. Those who receive milk liters, now that children up to the age of seven receive it, it is worth 0.25 Cuban pesos. At 10 Cuban pesos it is worth far more than a dollar. For example, in Venezuela a liter of milk does not cost less than $0.50. In many countries of the world a liter of milk costs $1. This is the truth. This means that our salary has purchasing power: 1 lb of rice costs 0.25 Cuban pesos, 1 lb of beans [words indistinct] Cuban pesos. Take note of all these things that are materially acquired for the house, for the home. Domestic fuel is very much affected, but when we do have it, is sold in Cuban pesos.

Therefore, if our salary is 200 pesos a month or 180 pesos a month you cannot divide it by 30 or 25 and say you earn $4 or $10. It does not work that way. This is an aspect where we really believe that enemy propaganda, by our enemies, has a great effect on this and causes great confusion. Take note that I have not even mentioned health or education. All of us have a son in the university and it is all free. This is part of the true salary that our workers receive.

We cannot accept people coming here to do business and paying our workers a miserly salary even though it may be in dollars. Like, I am going to pay you $150 and it seems a fantastic amount. A workers' group may feel overwhelmed with that money. This is not going to happen. The average salary for workers nowadays is $780. This means $22 million of income to the country this year in salaries, which is half the cost of children's milk for the entire Cuban people.

There has to be, therefore, an organization, an entity, tasked with collecting dollars and that guarantees workers the equivalent in Cuban pesos.

In addition, in many of these organizations, our government has decided to give a modest bonus, but also in foreign currency, to those workers. In addition, we also correct the salary in Cuban pesos.

In fact, in the case of nickel and in the case of oil, that correction was done previously. It was not that the capitalist came and increased the workers' salary. No, we had this already corrected from way before. The salary in Cuban pesos has not had to be touched in the case of nickel workers, the same with oil workers. The government had decided to put the salary of those workers at the same level as that of contingent workers.

It is a salary in Cuban pesos that is decent and dignified and we do not have anyone there haggling over one Cuban peso more or one Cuban peso less and a modest amount is paid in foreign currency. But one cannot be careless about this and partners who come here to impose on our workers miserly salaries cannot be accepted by us.

Simply put, they have to be charged salaries according to the area. We compete, it is only logical, with what workers in Mexico earn, what workers in the Caribbean earn. One cannot compare salaries with that of workers in other countries with other standards of living, other characteristics, including other taxes — not only on the payroll but on the salary earned by each worker. [sentence as heard] There is nothing like that in Cuba. Therefore, we must protect ourselves. [passage indistinct]

FAR Civilian Workers Report Marked Improvement

PA1009162695 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Sep 95

[Report by Susana del Calvo; from the "Evening Information Review" newscast]

[FBIS Translated Text] We talked with Jose Antonio Roque, secretary general of the National Union of Revolutionary Armed Forces' [FAR] Civilian Workers, who told us that more dollars were collected in the first semester this year than during the entire year 1994. While they collected $10,000 for medicines last year, they collected $20,000 in the first semester of this year alone. In addition, they manufactured a larger number of articles high in popular demand for workers and repaired a larger number of home appliances and footwear, a service that has been improved. Roque said that there are still some serious problems and limitations but that the situation is much better than last year.

[Begin Roque recording] With more determination than resources, we have succeeded in making our activities profitable, beginning with agricultural activities. The improvement has been large enough that the basic needs have been met. There are still many things that need to be improved, however. Our military repairs activities would have crumbled, had it not been for the enormous creativity, boldness, and initiative of a large number of highly qualified, labor-disciplined workers, who have diligently sought alternate solutions. They have applied new marketing concepts and become more competitive. As the chief of the general staff said at the Congress, the economic war forces us to be more efficient, raise our quality, and lower our expenses. This in turn means for us to apply new broad efficiency concepts. The creation of Aspect Committees, which handle basic labor justice and advise department heads in the decision making, has helped us greatly in relation to discipline. This has also enabled us to understand these aspects better. We also realized that we must solve our problems ourselves. Solutions do not depend on the state, but on each of us. And this means [words indistinct] regarding the economy. Politically-wise, I would say we have attained greater participation of all sectors in the decisionmaking process, as well as improved living and working conditions. One of the aspects improved is attention to man, which has to do not only with food, but ranges from taking his opinion into consideration regarding production to solving his personal and material problems. [end recording]

The union has demonstrated in the past few years that it is possible to do many things.

Minister Torres Poised 'To Win' Sugarcane Battle

FL1409013795 Havana Radio Rebelde Network in Spanish 2300 GMT 13 Sep 95

[From the "Exclusive" program]

[FBIS Translated Text] Sugar Industry Minister Nelson Torres stated that it is essential to speed up soil preparation efforts in Camaguey Province given the current lag in the sugarcane winter planting program. The main obstacle to swiftly increase planting levels lies in the lack of ready plots. Torres also called for increasing as soon as possible the use of tractors equipped with rubber tires and ADI-3 plows to ready the soil since these are more maneuverable in wet soil.

Meanwhile, the National Sugarcane Manual Cutters Seminar sponsored by the Cuban Workers Federation [CTC] and the Sugar Industry Ministry concluded this afternoon at the CTC headquarters in Havana. During the closing, Sugar Minister Torres stated that we are poised to win the sugarcane harvest battle thanks to the understanding and support of all, and the national awareness that exists on the importance of this sector for Cuba's economy.

Regarding the support for this important task, Torres added:

[Begin Torres recording] This is the battle that has to be waged. We are welcoming anyone who wants to climb aboard this train; this is a fully open, ample train. There is no caboose. Here, no one is last. Everyone fits on board. There are no individual heroes here. No. This is a collective effort, the work of many men, of many patriots, of many Cubans. Therefore, exodus of personnel is prohibited. We are all responsible and the victory will belong to all. We are convinced that we are going to reach victory. [end recording]

The participants in the seminar called for waging an intense battle in the quality of manual and mechanized cutting in order for all mills to work efficiently.

Ramon Castro Ruz, adviser to the Sugar Industry minister, explained the importance of having the sugarcane arrive to the mill free of foreign materials, because this is an essential requirements to meet sugar production goals.

Roundup of Sugarcane Industry Activities

PA1409043295

[FBIS Editorial Report] The following is a compilation of reports on sugarcane industry activities in Cuba monitored through 13 September.

In the provinces of Ciego de Avila and Camaguey, the workers are tuning the sugar mill machineries to prepare for the sugar harvest season. The country has invested more than 20 million pesos in the Ciro Redondo Sugar mill, in Ciego de Avila. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Sep 95)

In Granma Province, the results for sugarcane recovery were very positive in August. The sector's goal for September is an increase of 113 million arrobas. Thus far, 200 caballerias have planted and 2,476 were rehabilitated. The month's goal of 1,120 caballerias was reached. Tractors are in a criticial situation, problem for which a solution has not been found yet. In August, 130 homes were built for sugarcane workers. Only 344 homes have been built thus far. (Havana Radio Rebelde Network in Spanish 1700 GMT 4 Sep 95)

In Las Tunas Province, authorities have set the objective of rescuing by December 1998 approximately 900 unplanted caballerias that are currently infected with weeds. Over the next three years, more than 1,000 caballerias of sugarcane will be planted. (Havana Radio Rebelde Network in Spanish 1700 GMT 8 Sep 95)

In Ciego de Avila Province, workers from 10 agroindustrial complexes will form 60 platoons to work two daily shifts. D-36 new tractors, many spare parts for Komatzu machineries, and a group of Cuba-made implements were provided. The goal is to prepare 1,500 caballerias to be planted in 1996-1997. (Havana Radio Rebelde Network in Spanish 1700 GMT 8 Sep 95)

Sugarcane workers in Cienfuegos Province have reportedly weeded more than 5,040 caballerias of sugarcane plantations, accounting for 92 percent of planted areas. 2,470 caballerias were reportedly planted and herbicides were applied on 9,990 caballerias, a record figure for the history of the province. This demonstrates the enormous effort being waged to recoup sugarcane production in this territory while repairs of machinery for next harvest continue. (Havana Radio Rebelde Network in Spanish 1700 GMT 11 Sep 95)

Sugar Industry Minister Nelson Torres has visited the Brazil Sugar Mill in Camaguey Province. The minister expressed interest in repair works being done on the Sugar Mill facilities, with a view to the upcoming harvest. The minister insisted on the use of tractors in preparing small parcels of land, strategy which permits opening fronts for planting sugarcane. Sugarcane planting activities have reportedly been very depressed in Camaguey, in contrast with planting in other provinces where rain has been abundant. The minister outlined the Brazil Sugar Mill program for cutting sugarcane with mechanical equipment. To this end, 42 new KTP2-M tractors will be used. This means nearly 100 percent of sugarcane cutting activities will be mechanized. (Havana Radio Rebelde Network in Spanish 1700 GMT 12 Sep 95)

Matanzas residents are reportedly working hard to prepare fields for sugarcane planting. This has allowed experts to predict a slight increase in yield per hectare. The permanent presence of regular and temporary workers in the sugarcane fields has allowed them to weed an area of over 45,000 caballerias this year. This is an unprecedented figure in the last two decades. The rehabilitation of approximately 2,200 caballerias of sugarcane fields and the application of fertilizers in 14,600 caballerias evidence the determination of Matanzas residents to increase sugarcane harvest figures for 1995-96. (Havana Radio Rebelde Network in Spanish 1700 GMT 12 Sep 95)

With the discussion of the sugarcane agriculture and especially fondness of men to the area and workers' attention began the session of the 19th congress of the sugar workers union in Guantanamo Province. Delegate Eduardo Carbonel explained that attention to men is periodical, because during the harvest the needs of men are always attended to but after the harvest is over, attention is neglected. 26 July Sugarcane Contingent workers visited the congress and women stated their readiness to participate in harvesting activities.

Sugarcane planting and repairs reportedly go hand in hand in the Matanzas Province sugar industry. Sugarcane agriculture in Matanzas is progressing favorably to fulfill the manual planting plan for the rainy season campaign. Even though the manual sugarcane planting for August involved only 300 caballerias, authorities expect 256 caballerias will be planted with sugarcane in September. Of these, 50 percent will be done this week. With this, the men involved in the manual planting made up for the delay caused by the July rains. They hope they will plant 1,200 caballerias of sugarcane for this campaign. Repairs are also progressing smoothly. A provincial delegate of the Sugar Industry Ministry stated a big effort is required in the area of repairs in some sugar mills. He asserted a boiler is being repaired in the Mexico Sugar Mill and a power-generating turbine is being set up. The official concluded he believes repair could be concluded in time for the harvest. (Havana Radio Rebelde Network in Spanish 1230 GMT 13 Sep 95)

Seventy-six percent of the fuel assigned to the sugarcane harvest in Guantanamo is reportedly emulsified, while 14 percent is passed through a magnetizing equipment. This has guaranteed authorities to multiply fuel, according to the director of the Emulsifying Plant. The official explained that 1,191 pieces of equipment have used emulsified fuel for the past six years. He added that this contradicts reports that water in the fuel destroys equipment feeding systems. The official asserted this process has permitted authorities to reduce costs by 4.7 percent and to save 1,500 tons of fuel.

Local Company To Produce Blades for Sugar Harvest

PA1209042195 Havana Radio Rebelde Network in Spanish 1700 GMT 11 Sep 95

[Report by Jose Mejia; from the "National Radio News" newscast]

[FBIS Translated Text] Guantanamo — (El Guaso), a hand-tool company in this eastern province, produces blades for the small-drum KTP-1 combines, which cut sugarcane for the sugar mills in the entire country.

Tirso Napoles, who is the director of this company, told this newscast that the consumption of all blades is guaranteed for the harvest, which is about to begin.

[Begin recording] [Napoles] We are currently working on some 12,000 blades for the start of the harvest. This company will provide all the blades needed by the 1996 harvest because it has always taken care of the country's harvest needs.

[Mejia] What about the quality of these blades?

[Napoles] We are now working to improve the quality of the blades. We are conducting research to increase the productivity of the blades when cutting sugarcane. We are now capable of replacing a Spanish-or Russian-made blade with the same quality. [end recording]

Former GRANMA Deputy Director Contantin Dies

PA1409122695 Havana PRENSA LATINA in Spanish 1449 GMT 12 Sep 95

[FBIS Translated Text] Havana, 12 Sep (PL) — The remains of prominent Cuban journalist Elio Constantin, who died yesterday following a prolonged and distressing illness, will be laid to rest today in Havana's Colon Cemetery.

Known in the island and abroad as a sports reporter — especially soccer commentator — and international politics commentator, Constantin was president of the Union of Cuban Journalists (UPEC) and deputy director of daily GRANMA, organ of the Communist Party.

His writings on the correct usage of the language obtained ample repercussion in the Antillean nation, a task at which he also excelled and which he exercised at the aforementioned newspaper until recently, even though he was retired.

Haiti

Justice Minister Views Senator Dole's Comments

PA1309235195 Port-au-Prince Radio Galaxie in French 1240 GMT 13 Sep 95

[Monitored in progress]

[FBIS Translated Text] ...in fact, the Ministry of Justice says it has learned with amazement that the leader of the Republican majority within the U.S. Senate, Senator Robert Dole, one of the major figures for the next U.S. presidential elections, deliberately put the government's policy in the justice field on the carpet and minimized the efforts made — since the return of President Aristide — to sanction the human rights violations and set in motion the process of establishing a state of law in Haiti, during a program on CNN with journalist Bob Novak.

It is really amazing, the justice minister says, that the electioneering concerns or other shameful feelings can prompt Republicans within the Congress, in particular, Sen. Dole, to set themselves this way against the Haitian people who have suffered so much and who have resolutely committed themselves for progress, development, and respect of human rights.

Whoever is honest must acknowledge that the Haitian Government, under the aegis of President Jean-Bertrand Aristide, has begun and carries on with the efforts to improve a judicial system formerly characterized by the slowness of the justice department, the inefficiency of the courts, and total absence of a penitentiary administration, the justice minister explains.

Speaking only of crimes committed after the return of President Aristide and pretending to forget the foul crimes and the slaughters perpetrated between 30 September 1991 and 15 October 1994 constitutes one more slap to all the victims of those atrocities. Making the slowness of the justice department to punish the culprits equal to laxity is a simplistic attitude from ill-intentioned persons refusing to understand the cultural problems faced by the Haitian people — not only in the justice sector, but also in the economic and social fields.

The reports of international organizations on the spot such as the International Civilian Mission, the OAS, and the United Nations, of diplomatic missions such as the United States through its spokesman Stanley Schrager, and of human rights organizations, unanimously acknowledge that there could not be — given the respect for the human rights and the political freedoms in Haiti — any comparison between the current government and the previous dictatorships, particularly the de facto regime of Raoul Cedras and Michel Francois.

The government of the Republic and almost all the Haitian people rise up with the utmost energy against these untimely stances of Sen. Dole and reaffirm their unshakeable willingness to continue to work in the sense of the improvement of the judicial system for an integral rehabilitation of the Haitians. They urge all friends in the international community to no longer listen to the cacophonous songs of our eternal disparagers, but instead to continue to support the efforts of the Haitian people to get out of misery and underdevelopment.

These were the reactions of Justice Minister Jean-Joseph Exume to the allegations made a few days ago by Sen. Robert Dole who stated that human rights were not respected in Haiti and who threatened to have U.S. financial aid to Haiti cut.

Electoral Director on Pre-Election Measures

PA1309235395 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Sep 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] Only three days before the elections, the Provisional Electoral Council [CEP] has taken measures so the ballot papers can be brought to all Registration and Polling Stations [BIV's] 48 hours before the elections. Such was the statement of the director of the electoral operations, Mr. Pierre Andre Guillaume, during the second news conference held yesterday at the press center of the CEP.

According to Mr. Guillaume, the BIV officials will be present in their office as early as 0400 AM. Specialized security agents will be assigned to the various BIV's in order to protect the ballot papers and avoid any acts of sabotage. [passage omitted]

CONACOM's Georges Urges People To Boycott Elections

PA1309235695 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Sep 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The second round of the elections is perceived in the prospect of having the electoral process move forward, according to the statements of Father Amos Georges yesterday morning in the premises of the National Congress of Democratic Movements [CONACOM] in Bois-Verna.

CONACOM senatorial candidate Amos Georges has labelled the 46th legislature as masquerade [mardigrature] and calls on the people to boycott the 17 September like they did on past 13 August. According to Father Amos Georges, the lavassian campaign is perceived and financed for the privatization of the state-owned enterprises.

[Begin Georges recording] [Words indistinct] on 25 June, you boycotted them on 13 August, boycott them again, stay home on 17 September. Do not give the smart tacticians weapons to destroy you. Stay home on Sunday, 17 September. This sort of 46th masquerade is going to legalize privatization immediately. The campaign of the lavalas gathering has been financed for privatization. [end recording]

On the other hand, Mr. Micha Gaillard, who also took part in this conference, says the departure from the commitment taken by some candidates with the party does not constitute a failure for CONACOM. Mr. [Dunois Eric] Cantave, who rejects for his part the privatization of the state-owned enterprises, thinks a social market economy toward the satisfaction of women would allow men to be happier. [sentence as heard]

[Begin Cantave recording, in Creole, in progress] ...organization and that you cannot respect the line of the organization, I think the organization does not lose, but the person does. The organization is always there, the organization has lines, strategic lines to follow, and is following an orientation. [end recording]

FNCD Dissidents To Participate in Elections

PA1309235795 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Sep 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] As for them, they intend to participate in the electoral battle. I am talking about the 13 National Front for Change and Democracy [FNCD] candidates who will participate in the 17 September elections. Most FNCD candidates, who have to stand again in the second ballot, are ready to participate in it, Marino Etienne, one of the spokesmen for the dissident branch of this organization, said yesterday.

Claiming to be of the authentic directorate of FNCD, Mr. Etienne has condemned the mobilization provoked on the side of the voters by the calls for boycott coming from personalities who, he says, are not entitled to speak on behalf of the front.

In a document dated 11 September, Evans Paul and Turneb Delpe, the two spokesmen contested by some FNCD member organization renewed the FNCD's commitment to boycott what they call the so-called second round of elections, warning the Provisional Electoral Council [CEP] against the use of the emblem of the party.

Marino Etienne, who presents himself, as one of the victims of the irregularities of the first round, says he wants to take the CEP at its word concerning the guarantees of honesty and credibility this organization has given as regards the holding of the 17 September elections.

Independent Candidates Seek CEP Compensation

PA1309235295 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Sep 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] A coalition of independent candidates denounced yesterday the persistence of the leaders of the electoral institution in holding the elections throughout the country. A number of 63 independent candidates grouped within this coalition took a stand yesterday during a news conference held yesterday on the electoral crisis.

The independent candidates denounced the elections of past 25 June and 13 July [date as heard] which they describe as fraudulent. They call on the Provisional Electoral Council [CEP] members to regain their self-control and to go back over the decision of holding the second round of the elections. The coalition of independent candidates asks for the implementation of Article 289 of the Constitution dealing with the choice of the CEP members. [passage omitted]

Furthermore, the independent candidates demand a compensation from the CEP because they were damaged during the unfolding of the first round of the elections. The latter threaten to sue the CEP members if their demands are not satisfied. [passage omitted]

Jamaica

Joint U.S. ‘Operation Buccaneer’ Destroys Ganja

FL1309181195 Bridgetown CANA in English 1631 GMT 13 Sep 95

[FBIS Transcribed Text] Kingston, Jamaica, Sept 13, CANA — Jamaican security forces, with the assistance of the U.S. Drug Enforcement Agency (DEA), destroyed 99 hectares (246.1 acres) of marijuana worth millions of dollars in a two-week operation in western Jamaica which started in late August.

The search-and-destroy programme code named "Operation Buccaneer" was budgeted at 350,000 U.S. dollars and carried out by Jamaican soldiers and police with the help of four Black Hawk helicopters loaned by the U.S. Government. The helicopters have since returned to the United States.

No arrests were made during "Operation Buccaneer" which focused on St. Elizabeth, believed to be the leading marijuana-producing parish, as well as Westmoreland and St. James.

Police say 59.6 hectares of the drug (called ganja here) were destroyed in St. Elizabeth and 38.2 hectares in Westmoreland.

Superintendent Reginald Grant of the police narcotics division claimed the security forces had destroyed 75 per cent of the ganja, grown mainly in hilly and remote terrain in St. Elizabeth and Westmoreland.

Grant said that while it was almost impossible to "eradicate ganja totally", the programme would continue for as long as "necessary."

Police said that during the eradication programme, they frequently encountered the indica variety, said to be the most expensive type of the weed grown here, with a local value of 109 U.S. dollars per kilo. The variety is planted mainly for export.

Trinidad & Tobago

Prime Minister Denies Existence of ‘Death Squad’

FL1209233295 Bridgetown CANA in English 2120 GMT 12 Sep 95

[All quotation marks as received]

[FBIS Transcribed Text] Port of Spain, Trinidad, Sep 12, CANA — Trinidad and Tobago's Prime Minister, Patrick Manning, has rejected opposition claims about the existence of a "death squad" here.

"... No death squad exists in Trinidad and Tobago, that is, within the knowledge of the Prime Minister or within the National Security Council which the Prime Minister heads," Manning said.

He was responding to Opposition Leader Basdeo Panday's claim in the House of Representatives that a death squad was responsible for the cold-blooded murder of a member of the Jamaat al Muslimeen Muslim group, Abdul Aziz, two weeks ago.

"I wish to advise the members opposite and in fact the national community that the National Security Council includes on it the heads of agencies that are involved in the nation's security and therefore there is no question of the existence of any (such) body or group of people not known to the commissioner of police...," Manning said.

Panday replied: "I'm afraid we will need more than the assurance of the Prime Minister, because the word that is about the place is that the death squad is responsible to the Prime Minister.

"So if the death squad is responsible to the Prime Minister, how can the prime minister give an assurance that there is no death squad?"

Members of the Multi-Option Police Section (MOPS) have been questioned in the killing of Aziz near the St Augustine Campus of the University of the West Indies (UWI).

The Law Association in a statement on Monday [11 September] called for a public inquiry into the killing.

"We cannot be complacent when the possibility is very seriously put forward by normally responsible newspapers which are pursuing the matter investigatively that there might exist and be operating a death squad in the police service," it said.

The association said that the reputation of the police service and the anxieties of the public would be best served by a thorough and impartial public inquiry into the circumstances of the shooting.

"We call for such a public inquiry and promise full support for it," the association said.

Panday said Aziz was killed by what is believed to be a para-military organisation about which the commissioner of police and the commander of the army have denied knowledge.

Foreign Minister Signs Canadian Investment Treaty

FL1309125995 Bridgetown CANA in English 2220 GMT 12 Sep 95

[FBIS Transcribed Text] Toronto, Canada, Sept 12, CANA — Trinidad and Tobago's foreign affairs minister, Gordon Draper, signed two agreements here at a business seminar to launch a Canada-sponsored trade and investment mission from the Caribbean republic.

Draper described the agreements - a revised Trinidad and Tobago-Canada double taxation treaty and a foreign investment protection agreement - as "critical measures" in stimulating an increase in Canadian investment in Trinidad and Tobago.

Addressing business executives at the seminar, Draper said the agreements are aimed at providing "a secure and comfortable business climate for the Canadian investor." He said the double taxation treaty will provide "the necessary assurance and encouragement to Canadian investors by the elimination of double taxation which may result from the imposition of similar taxes in both countries on the same taxpayer in respect of the same income."

"The foreign investment protection agreement will ensure the Canadian business person of the security of his investment, including the grant of national treatment and the unrestricted repatriation of earnings from that investment," he explained.

Signing the agreements on behalf of Canada was Roy McLaren, minister for international trade. MacLaren told the seminar after the signing ceremony that he was "particularly eager" to see Canadian companies "engage in foreign investment and trade."

"One of the most effective ways, of course, of doing so is to co- operate in joint ventures," he suggested. Draper noted that while the energy industries remain the cornerstone of the economy of Trinidad and Tobago, the republic "has been moving to establish a base of economic excellence in other areas."

"We have been actively promoting small and medium enterprises and we will continue to do that," he added. "It is clear to us that the time has come to consolidate and perhaps intensify the economic ties and relationship between Canada and Trinidad and Tobago," he said.

Troops Shifted to PRD, EZLN Stronghold

95CA0390A Mexico City LA JORNADA in Spanish 13 Sep 95

[Report by Juan Balboa — received via Internet]

[FBIS Translated Text] Salto de Agua, Chiapas, 12 September — In the last few days, the Mexican Army has moved war materiel and dozens of troops from Military Zone 38 in Tenosique, Tabasco, to the communities in the lower sections of the municipality of Tila and to the western part of the Tulija Valley. This area is a stronghold of the Party of the Democratic Revolution (PRD), and the government considers it to be among the most sympathetic to the Zapatist National Liberation Army (EZLN) of all the Indian areas outside the conflict zone.

Mexican Army troops and officers of the State Judicial Police and the State Public Safety Police, backed by the PRI [Institutional Revolutionary Party] group known as Peace and Justice (which has been denounced by the PRD as a paramilitary group), have established themselves in the beleaguered communities (Usipa, El Limar, Nueva Preciosa, Pantianija, among others) where clashes between the military and the two parties broke out in early September.

The removal of the Mexican Army from their communities and the disbanding of the paramilitary groups operating in the municipalities of Tila and Salto de Agua are two of the main demands presented by some 600 Chol Indians. Since Monday, the Indians have been blocking the entrance to Salto de Agua City Hall. Salto de Agua is located in northern Chiapas along the Tabasco border.

The Chol Indians demonstrating in front of Salto de Agua City Hall are among the 600-odd Indians expelled from the communities of Usipa and Nueva Preciosa by a group of *shock troops* affiliated with the PRI, supported by State Public Safety Police.

"A group of 200 well-armed paramilitaries, dressed in civilian clothes and police uniforms, came to our community on 4 September. They visited a number of houses and forcefully ejected all of the Indians who belong to the PRD," Cristobal Mendez told this newspaper.

He says that the individuals (more than 500 of them) went off in different directions, "some to nearby towns, but most of them taking refuge in the mountains for four days. Afterwards, they found refuge in the municipal seat of government of Salto de Agua," stated the Chol Indian, who is staying in one of the local parishes.

On 7 September, according to Everio Ramirez Lopez (another refugee in this city), the Army, accompanied by PRI activists, destroyed houses; held four peasants captive for several hours, including one woman; and evicted several families from Nueva Preciosa, in the municipal jurisdiction of Salto de Agua.

Andres Velasco, a slender man of 55, was arrested by the military while carrying a 22-caliber rifle. He recalls that the Mexican Army troops asked him, "Are you a Zapatist?" "They beat us up, and then they covered our faces with red bandannas to take our pictures," he reported.

Andres was transferred to the jail in Palenque, and a day later he was confined in Tuxtla Gutierrez. He was released when no evidence could be found that he belonged to the EZLN.

According to the 10 peasants interviewed at the entrance to Salto de Agua city hall, the Army sent in heavy armament and dozens of troops to the troubled communities. The troops patrol the communities in the company of members of Peace and Justice. Helicopters now fly over the area daily, they said.

The commander of the 38th Military Zone in Tenosique, Tabasco, General Manuel Orozco Pimentel, confirmed that troops are present in the communities where the clashes took place. According to Orozco, the presence of the Army will help "restore order and prevent new confrontations." He also says that the Army's presence will help "restore order and prevent new confrontations" [as published] between hooded individuals and PRI activists.

A group of local journalists was taken to two communities where incidents occurred in early September. One of them was El Limar, where the journalists witnessed order being restored, according to their own news stories.

The secretary of the El Limar ejido, Rafael Martinez Martinez, who is also secretary of the PRI organization Peace and Justice, stated in front of journalists, police officers, and military troops that it is priests "who recruit the Tzeltal Indians into the commands" of the Zapatist National Liberation Army (EZLN), and that they "have the population in their spell."

The ejido council members meeting in El Limar stated that the Catholic catechizers who belong to the diocese of San Cristobal de las Casas, under the direction of Bishop Samuel Ruiz Garcia, "are in charge of punishing the Indians who refuse to join them," and they refuse to allow them to baptize their children, get married, receive first communion, and exercise other rights.

EZLN: Consultation Prevented Rupture of Talks

PA1409033095 Mexico City REFORMA in Spanish 11 Sep 95

[Report by Daniel Pensamiento, Guadalupe Irizar, and Maria Elena Medina — received via Internet]

[FBIS Translated Text] Yesterday, the Clandestine Indian Revolutionary Committee of the EZLN [Zapatist National Liberation Army] said that the result of the 27 August National Consultation For Peace and Democracy, where most of the voters asked the EZLN to become a political force, prevented a rupture of the peace talks. The talks are being held in San Andres Larrainzar.

In a message "Commander Tacho" issued yesterday to the representatives of the Organizing Committee of the Young People's National Consultation, he stated that the massive response by the people compelled the government to open opportunities at the national level for the Zapatist demands.

Higino Munoz and Miguel Angel Godinez, spokesmen of the committee that will hold the Young People's National Consultation said that this referendum may serve to reform the right to education and reject the attempt to reduce jail terms [penalizacion] in Mexico from 18 to 16 years.

Also, Tapachula Bishop Felipe Arizmendi Esquivel warned that some EZLN members do not want to forsake their "discourse of war" and their "aggressive tone" and that some officials are reluctant to give up their power. He was also critical of Rafael Sebastian Gullen Vicente, alias "Subcommander Marcos."

He said the EZLN is clearly inferior to the government and noted that "the so-called Zapatists" must not hold aspirations that exceed their sphere of influence.

Zedillo: Country on 'Threshold' of Recovery

PA1409004595 Mexico City NOTIMEX in Spanish 0433 GMT 12 Sep 95

[FBIS Translated Text] Mexico City, 11 Sep (NOTIMEX) — Mexico is on the threshold of economic recovery, President Ernesto Zedillo said today but explained that sustainable recovery will only be possible if the stability program is continued.

The Presidency announced that Zedillo, who met privately on Monday with businessmen and administrators of investment funds from 18 countries, noted that there are reasons for the economy to register an across-the-board recovery in 1996.

He mentioned the five reasons that will bolster the recovery. First, he named the stabilization of the financial and exchange markets, which will be translated into a recovery of the confidence of consumers and investors.

Then he stated that the elaboration of a debtors' bailout package by the government and Mexican banks will also mean the recovery of the confidence of investors and consumers.

The third reason, he said, is the greater public investment scheduled for the second half of this year. The fourth is a recovery of foreign investment, which during the first half of the year was shrinking but is now rising in key sectors of the economy.

The fifth reason is based on the legal reforms that were promoted early this year to attract national and foreign investment, as they have begun to yield specific results.

Speaking before the members of the Mexico Global Investment Forum, Zedillo explained that the continuation of the process of granting concessions in port terminals will be another factor that will bolster the recovery of domestic and foreign investment.

Other factors are the publication of the regulations to store, distribute, and sell natural gas, as well as the announcement of the bases to operate petrochemical plants and of the information on the privatization of railroads and electric energy plants.

According to the Presidency, Zedillo announced that in order to generate greater domestic savings and set solid bases for long-term growth, he will promote in the Congress reforms to the fiscal system and the retirement and housing funds system.

He said he will take steps to improve the administrative capacity of the fiscal tax apparatus and that in the medium term the challenge will be to encourage savings and to induce businessmen to reinvest a increasingly larger part of their companies' revenues.

He recalled that the financial crisis that began on 21 December stemmed from "insufficient domestic savings. That has been the main cause for the financial crisis that beset Mexico."

In general terms, the president warned that in order to achieve a sustainable economic growth the discipline in fiscal and monetary policy must be maintained and the structural reforms in the economic sector must continue.

Finance Minister Outlines Economic Recovery Plans

MS1409104295 London FINANCIAL TIMES in English 14 Sep 95 p 4

[Report on interview with Mexican Finance Minister Guillermo Ortiz by Leslie Crawford; date and place not given]

[FBIS Transcribed Text] Mr Guillermo Ortiz, Mexico's finance minister, plans to push through pension and tax reforms and speed up the government's privatisation schedule as he prepares to induce an economic recovery from the cinders of December's financial crisis.

More government spending on public works will also help revive an economy which contracted by 10.5 per cent in the year to June — the worst slump in living memory. However, Mr Ortiz said in an interview that a full recovery would have to wait until the heavy debt burden that afflicts millions of households and small businesses decreased over time.

He said the peso would not be allowed to become overvalued again. But he showed no disposition to tamper with the existing floating exchange rate regime, despite a 20 per cent appreciation of the peso against the dollar since he introduced an economic shock programme in March.

"We are inclined to continue with the present regime, because it is working well," Mr Ortiz said. "The free float has stabilised the currency, while the market has led the peso to a reasonable level (against the dollar)." In the finance minister's view, the peso remains undervalued, trading at 6.28 to the dollar, compared with 3.4 pesos before the December devaluation.

Once Mexico had built a sufficient level of reserves, the government might be in a position to consider new policy options, Mr Ortiz said.

Private sector economists have expressed concern that the gradual appreciation of the peso since March has led to a contraction in Mexico's monthly trade surpluses — from $942m in May to $583m in July. They believe the trade surplus will shrink further when the economy rebounds and demand for imports is rekindled. A new cycle, they argue, would begin, in which Mexico again became over-dependent on foreign capital flows to spur economic growth. It is a cycle which lasts six years (the length of tenure of a Mexican president), and invariably ends with a traumatic devaluation.

Mr Ortiz said the government had learned from past mistakes. It would defend a competitive exchange rate, but deficits on the current account of the balance of payments would not disappear.

"Mexico requires a current account deficit because its investment needs are greater than domestic savings," the finance minister said. "A deficit of 8 per cent of gross domestic product, such as the one recorded last year, is too large. But eliminating the deficit altogether is not good for Mexico either. Somewhere in between lies a healthy balance."

Mr Ortiz said Mexico would probably end the year with no deficit in the current account, against a $28bn deficit last year. The cost of such a traumatic adjustment was a deep recession.

With the spectre of default now in effect buried — Mexico has retired more than $26bn of short-term foreign debt by borrowing $23.9bn from the International Monetary Fund and the US Treasury — the government has moved on a number of fronts to mitigate the worst side-effects of the financial crisis.

The near-collapse of the domestic banking system brought about by mounting loan defaults that came after devaluation — has been averted by the injection of substantial government funds to recapitalise Mexican banks and a recently announced programme that will reduce interest payments for millions of small debtors. Mr Ortiz estimated the cost of bailing out banks and debtors at about 3 to 4 per cent of GDP. "All financial crises bring high costs," he said. "This one could have been worse."

His promise to reopen the public investment taps has also revived the spirits of a near-moribund construction sector. The need to fight inflation led the government to cut spending by 14 per cent in real terms in the first half of 1995. Now, Mr Ortiz said, the government had 60 per cent of its investment budget to spend in the final four months of the year. "We will also design the 1996 budget to maintain the investment momentum next year," he added.

Mr Ortiz will be under political pressure in Congress to relax government spending next year. Abroad, both the IMF and foreign investors will look for signs of continued fiscal austerity. Mr Ortiz said he would walk this particular tightrope by presenting a balanced 1996 budget for congressional approval later this year.

Extra funds will come from a new wave of privatisations. Pemex, the state oil monopoly, will put its petrochemical plants on sale next month. The management of the country's ports are already being put out to tender. Mr Ortiz said plans were well advanced for the privatisation of Mexico's railways, which he hoped could be completed next year. The sale of the country's electricity grid would take longer.

Mexico's antiquated state pension system would be overhauled, the finance minister said, in order to raise Mexico's domestic savings rate.

"I would like to move towards a system of personal pension plans that linked individual contributions to benefits," Mr Ortiz explained "The problem we have with our existing redistributive system is that there is no correlation between the two. People see their contributions as a tax."

Mr Ortiz indicated that the new pension system might be run by private pension fund management companies, such as the ones that operate in Chile. Government and employers would continue to contribute to these funds.

In addition, the government would guarantee a minimum state pension for workers who had not accrued sufficient savings over their working lives. Mr Ortiz said he hoped draft legislation could be ready within the next six months, after consultation with business and union leaders.

Mr Ortiz said he was planning to create a new tax revenue authority to improve tax collection and professionalise the service. There might also be legislation to promote greater revenue sharing between the central government and state administrations. But a new tax package, he said, would have to wait until economic conditions improved. "Neither Congress nor society is regeptive to new taxes now," he said.

Official on Talks With EU on Trade Accord

PA1309120995 Mexico City NOTIMEX in Spanish 1609 GMT 12 Sep 95

[FBIS Translated Text] Brussels, 12 Sep (NOTIMEX) — Mexico is holding preliminary meetings with the EU to negotiate a partnership agreement close to a free trade agreement, Herminio Blanco, Mexican secretary of commerce and industrial development, confirmed here today.

"We believe the agreement will be good for Mexico if it opens the doors to our exports (...) For now, we are in the clarification and preliminary negotiation stage," Blanco told the press shortly before delivering a lecture in a seminar about Mexico.

"We want the opening in all sectors. Mexico wants to open markets for its exports in all products," the Mexican official stressed in his meeting with reporters.

Blanco added that in his interviews this week with various European commissioners, he has analyzed the prospects of an agreement with the EU aimed at liberalizing trade.

"It is a period of consultation, since no dates have been yet determined for the beginning of negotiations," he stated.

The European Commission, executive organ of the EU, must present in the next few months to the 15 community member states the guidelines for a partnership agreement with Mexico, a necessary step for the beginning of the said negotiations.

On Monday Blanco stressed before Manuel Marin, vice president of the European Commission and commissioner for Latin America, the need to equalize the trade balance, which presents a serious deficit for Mexico.

With European industry commissioner Martin Bangemann, the Mexican delegation led by Blanco analyzed the possibilities of cooperation and of promoting small and medium-sized Mexican companies through possible partnerships with European companies.

Tomorrow, Wednesday, Blanco will meet with European agriculture commissioner Franz Fischler, with whom he will discuss his country's request for the recognition of the denomination of origin for tequila, alcoholic beverage produced only in Mexico.

"We have already made progress in this regard and there is a chance this matter can be resolved before the end of this year," the secretary remarked.

The Mexican delegation also met with Belgium Government authorities, with whom they discussed, among other issues, the request so that Mexican beer exports not be subject to double taxation.

Last February the EU made a proposal to expand its ties with Mexico through an agreement establishing a gradual liberalization of commercial exchange, reinforced political dialogue, and more bilateral cooperation projects.

The Mexican secretary of commerce and industrial development is making a "political and commercial clarification" visit to Brussels, accompanied by the under secretaries of international commercial negotiations and foreign relations, Jaime Zabludovsky and Sergio Gonzalez Galvez, respectively.

Last May, Mexico and the EU signed a declaration of intent in which both parties pledged to begin formal discussions on the future of their ties.

During his three-day visit to Brussels, Blanco has met with various European commissioners, including Martin Bangemann, commissioner of industrial and technological affairs, and Manuel Marin, commissioner for European ties with Latin America.

"They want clarifications on certain aspects —and so do we — before beginning the formal part of this process," Blanco told a reduced group of journalists.

Blanco reiterated that Mexico is hoping to promote industrial joint ventures, to correct the trade imbalance it has with the EU, and to obtain state-of-the-art European technology for the small and medium-sized Mexican industry.

The European Commission is preparing the guidelines for the negotiation of the agreement proposed to Mexico in order to present them next October to the 15 European community states, a EU source indicated.

In this regard, the Mexican secretary of commerce and industrial development insisted that the Mexican Government will continue to sponsor free trade agreements, but stressed that the negotiations with the EU are still in a preliminary stage.

"We are evaluating the proposal to present it to President Ernesto Zedillo and, based on this, to make the decision to negotiate," Blanco told NOTIMEX.

Official on Extradition Requests to U.S.

PA1409032495 Mexico City LA JORNADA in Spanish 11 Sep 95

[Report by Jesus Aranda — received via Internet]

[FBIS Translated Text] For Mexico, it is "unacceptable" for U.S. judges to assume the right to determine the judicial proceedings of our country and to turn the cases of extradition into "domestic criminal actions," Miguel Angel Gonzalez Felix, legal consultant of the Secretariat of Foreign Relations, has said.

However, this official acknowledged that the lack of an appropriate legal framework to fight organized crime in Mexico, and of overwhelming pieces of evidence against them, prompted the rejection of the extradition requests for Guillermo Gonzalez Calderoni and Mario Ruiz Massieu (still being processed).

"That is unacceptable," the official stressed in reference to the position of U.S. judges. He underscored that, in light of this situation, in the next meeting of border prosecutors — which will be held in Houston, Texas, by the end of this month — the Mexican Government will insist on the "precise" establishment that the Mexico-U.S. Extradition Treaty "must not be confused with a domestic criminal action" that violates the provisions of the existing Extradition Treaty.

In an interview with LA JORNADA, Gonzalez Felix commented that, in Mexico, telephone recordings, as well as testimonies from "certain witnesses" or informers, among others, are not accepted as evidence. This forces the Mexican side to use "many alternative and testimonial evidences" that for U.S. judges have a limited evidence value.

The Cases of Gonzalez Calderoni and Ruiz Massieu

Even though U.S. federal authorities have stated their willingness to extradite Mario Ruiz Massieu, Gonzalez Felix recognized that "in many years Mexico had not experienced as many problems as it has in recent months with the extradition of Gonzalez Calderoni and Ruiz Massieu."

[Aranda] Are extradition requests made more difficult in cases involving drug trafficking activities for the fact that the accused seek to take advantage of a witness program or to provide information?

[Gonzalez Felix] That is a good question. Not in the sense that the cases are made more difficult. The cases are going to be solved with conclusive evidence, in addition to the political will. Normally, when you have cases of homicide, the pieces of evidence are relatively easy to identify and are valid in both countries.

"In contrast, if we talk about drug trafficking cases, an offense so complex and subtle that it involves forms of corruption, forms of money laundering and a great economic interest, pieces of evidence are much more subtle. Then, often you will refer to evidence involving bank transfers, evidence involving money that may have been paid, evidence involving telephone conversations — and there the systems of the two countries differ greatly."

Gonzalez Felix stressed that the problem of the evidence is "very delicate" and the Mexican Government has become "fed up" with this. The official continued: Consequently, the draft bill the PGR [Office of the Attorney General] is preparing will certainly include a very specific provision concerning the struggle against drug trafficking, "in which we can have more pieces of evidence."

"There are many pieces of evidence that are not valid in Mexico," Gonzalez Felix remarked. For instance — he explained — in Mexico there is no chance to use telephone recordings as evidence, nor evidence from certain witnesses: There is no possibility that there are informers.

Then — said Gonzalez Felix — said, when we have to present to the U.S. counterpart evidence in cases of extradition, we must use "many alternative pieces of evidence," such as public fame, witnesses of [word indistinct] which in the United States have a limited value.

We have an element of political willingness and the criteria judges are using, but "there is an element we must work out very hard also with the United States, which are all pieces of evidence." He expressed: "Our evidence system regarding organized crime must be updated."

Gonzalez Felix added that videocassettes, photographs, and recordings are "starting" to have a relative value as evidence in Mexico.

[Aranda] Did your statements on evidence have any influence on the extradition cases of Gonzalez Calderoni and Ruiz Massieu?

[Gonzalez Felix] In Mexico we do not put together [conformamos] this type of evidence, and it is very probable that this influenced those cases, because there are elements of proof that are simply not developed in Mexico. Thus, documentary evidence was basically used in these two cases.

[Aranda] He pointed out that in our relationship with the United States regarding the extradition issue, there must necessarily be an exchange of information, "we should know" how to ensure that our evidence is also valid in the neighboring country so that the criteria used by the Office of the Attorney General is also valid there, and that U.S. judges also use the criteria that the treaty established and that we feel is the valid one.

U.S. Judges Must Abide by the Treaty

The foreign ministry's legal consultant explained that on various occasions and in different bilateral consultation forums on judicial matters, Mexico has consistently criticized the way U.S. judges assume the right to issue judgments on the proceedings applied to persons whose extradition is requested. "They should only deny or grant extraditions; they should make no judgments," he pointed out.

[Gonzalez Felix] In Mexico we simply want to establish a link between evidence and the possible perpetration of a crime that in the judge's criteria will determine whether the terms of the treaty are being fulfilled.

In the United States, however, jurisprudence establishes that probable cause is what should be determined, and that is "a little more than what Mexico's judicial system demands." Thus, the linking of evidence with perpetration of a crime is not enough; "there must be an association that can establish that the person whose extradition is sought is probably guilty."

[Aranda] He noted, however, that Mexico usually has no problems with extradition; there are problems when a judge goes "overboard," when he wants a probable cause to turn into an domestic trial and when he issues opinions on evidence presented by Mexico or on legal aspects in Mexico. That is unacceptable, he said.

Gonzalez Felix, who is directly in charge of dealing with juridical aspects abroad, advanced that at the Mexico-U.S. meeting of border area attorney generals scheduled for late September in Houston, Texas, the Mexican delegation will try to establish "with great precision" that, although there are domestic legal requisites, "the implementation [funcionamiento] of the treaty should not be confused with a domestic penal trial. That is the problem; when they (judges) go overboard we get an inefficient treaty and they spoil trials in Mexico also."

He ruled out that the Mexican government is interested in modifying the current treaty, because "a revision will not solve the problem." However, Gonzalez Felix, proposed the establishment of bilateral mechanisms to expedite 300 extradition cases per year that the two governments are reviewing.

He categorically denied that the problem stems from a lack of foresight in negotiating the current Extradition Treaty; the problem is that judicial criteria are involved here and in the United States the judges themselves establish the criteria.

One way to tackle the problem, Gonzalez Felix added, is to insist before the Departments of Justice and of State that U.S. judges become "familiar" with extradition proceedings, that judges and not magistrates — as is recurrently the case — handle these cases; that the probable-cause criterion be "defined" [que se acote]. That is: that the judges stop issuing judgments on the proceedings and limit themselves to granting or denying extraditions.

Multivision To Invest in Satellite Project

PA1409033295 Mexico City REFORMA in Spanish 11 Sep 95

[Report by Cayetano Frias — received via Internet]

[FBIS Translated Text] Guadalajara — Multivision will launch a satellite in December 1995 in association with Hughes, Venevision, and TV-Abril. Carlos Arpio Zepeda, director general of Multivision in Jalisco State, said that the total investment will be approximately $600 million, of which the Mexican enterprise will contribute 10 percent.

Arpio Zepeda said that the satellite will begin operating in March 1996. He added that Multivision subscribers throughout the country will be given a parabolic antenna measuring 60 cm in diameter in order to have access to this service.

He announced that the satellite, which will be named Galaxi Latinoamerica, will enable the four participating companies to cover the entire American Continent with their cable television programs.

Arpio Zepeda said that Hughes will contribute with 60 percent of the investment, Venevision with 20 percent, TV-Abril with 10 percent, and Multivision with the remaining 10 percent.

Hughes will exploit the service in the United States; Multivision in Mexico; Venevision in Venezuela, northern South America and Central America; and TV-Abril in Brazil.

Each subscriber will have access to 144 television channels, 50 percent of which will have programs in Spanish and the other 50 percent in Portuguese. In addition, each subscriber will also have access to 60 channels that will be exclusively for audio, all with stereo sound.

Regarding Multivision's services in Jalisco, Arpio Zepeda said there are currently 64,000 subscribers in the Metropolitan area, and that this number is increasing at a rate of 4,000 each month.

He noted that the crisis affected the company at the beginning of the year. He added that April was the most difficult month, but as time goes by the market is recovering and significant growth is expected next year.

Foreign Secretary Gurria Meets With Congress

PA1409041195 Mexico City Radio RED Network in Spanish 0000 GMT 13 Sep 95

[Report by Gloria Hernandez from the Mexican Senate; from the "Night Monitor" newscast — passages within quotation marks recorded]

[FBIS Translated Text] A meeting just ended. Mexican Foreign Secretary Jose Angel Gurria told deputies and senators that the Mexican Foreign Relations Secretariat has received no official request for the extradition of former President Carlos Salinas;

[Gurria] "[Words indistinct] as foreign secretary at this time I have no information that any court has summoned Mr. Salinas for any crime. Should the foreign secretariat receive from the Office of the Attorney General a summons for his presence or for the presence of any other person, we would automatically comply. We do have no reason to do so at this time; we have no formal request."

The analysis of Mexico's foreign policy lasted seven and a half hours at the main patio of the (Jicotenca) building. Two hours before the end of this working meeting, Adolfo Aguilar Zinzer, deputy of the PRD [Party of the Democratic Revolution], said that although important issues were brought up, this was not dialogue among parliamentarians, because they did not have the right to reply; thus — he added — this meeting with the foreign secretary became a monologue. However, Aguilar invited the official to meet with the Foreign Relations Commission of the Chamber of Deputies to engage in a serious dialogue.

Carlos Reta, deputy of the PRI [Institutional Revolutionary Party], recalled his stint at the Foreign Relations Secretariat, and he asked Gurria about DEA meddling in our country. The official admitted there are only exchanges of information and of intelligence with this counternarcotics organization:

[Gurria] "Regarding drug trafficking, the limits are established by written agreements. There are indeed exchanges of information, exchange of intelligence— and this, Mr. Deputy, does not imply espionage, but intelligence and details regarding specific operations."

Gurria, who was accused of trying to depict a rose-colored Mexico abroad, tried to reply to most questions asked by the legislators with lengthy answers. Gurria said that certain persons go overboard, because they attend European congresses and appear before international organizations to tarnish the image of Mexico and of its institutions.

The foreign secretary focused his statements on economic matters. He said Mexico will not depend on the United States in the economic arena, and this is why a balance is being sought with Europe. For national security reasons — he added — Mexico is also trying to strengthen ties with Latin America. Gurria added that he will continue to make working tours.

As for the package of financial aid granted to Mexico, Gurria said our country will fulfill its commitments, and he denied that NAFTA could be opened up to other countries, because it is already in force and was already negotiated.

At this meeting he also assured that, for electoral reasons, Mexico is being severely criticized by those who hope to achieve good political results. Gurria, however, insisted over and over again on the need to increase the presence of Mexican representatives abroad to immediately clarify any misinformation.

[Mexico City XEW Television Network in Spanish at 0430 GMT on 13 September adds: "The Mexican foreign secretary categorically rejected the claim that a multinational counternarcotics force is needed to fight drug trafficking together with other nations."]

Roundup of Mexican Economic Developments

PA1409021895

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 13 September:

The enterprise Altos Hornos de Mexico expects to produce 4 million tons of liquid steel. Company spokesman Luis Arias Ibarrondo says that the acquisition of Aceros Nacionales will allow this goal to be met. (Mexico City NOTIMEX in Spanish 1611 GMT 4 Sep 95; datelined Monclova)

Throughout the country 20,000 employees were fired from self-service shops and department stores. Sales in department stores dropped 40 percent and self-service shops 25 percent, according to the group's association. The association president hopes that "these jobs will again be taken once Christmas sales pick up." (Mexico City NOTIMEX in Spanish 2050 GMT 5 Sep 95; datelined Mexico City)

The Finance Secretariat reported yesterday that Mexico's trade balance for July amounted to $583 million; therefore, the seven-month figure shows a surplus of $3.672 billion. Exports up to July amounted to $6.086 billion, which is 27.9 percent higher than 1994. Imports for July amounted to $5.503 billion. Overall Mexican sales abroad between January and July amounted to $44.398 billion, which is 32.1 percent higher than the same period in 1994. (Mexico City LA JORNADA in Spanish 7 Sep 95; received via Internet)

The Bank of Mexico reports that international reserves up to 31 August amounted to 95.129 billion new pesos, government securities totalled 8.673 billion new pesos — 1.5 billion new pesos less than what was reported on 25 August. Currency and current accounts throughout the country up to 31 August amounted to 47.806 billion new pesos, which is 1.564 billion new pesos more than the previous week. (Mexico City Radio Red Network in Spanish 0000 GMT 7 Sep 95)

The economic crisis has left 2 million Mexicans without a job during the first semester of 1995, with 11 million working through an underground economy, according to Labor Secretary Javier Bonilla. Bonilla said that in June unemployment was 6.6 percent of the economically active people, which is double the December 1994 figure. (Madrid EFE in Spanish 1740 GMT 8 Sep 95; datelined Mexico City)

Energy Minister Ignacio Pichardo Pagaza said that Pemex's priority is to raise production levels by 100,000 barrels a day. He also said that despite the fact that users' electric bills alone represent 70 percent of production costs, the time is not right to raise rates. In another report, Concamin recommends that the government increase circulating currency and liberate, "with prudence," more than 60 percent of public expenditures for this semester in order to avoid spiralling inflation. Concamin believes that this will allow a "selective" support to the most profitable, productive, and highly competitive enterprises that pledge to "not reflect this support in price increases, except direct operating costs. Most national productive plants are working at 70 percent of their installed capacity, although some are as low as 50 percent, added Concamin. (Mexico City LA JORNADA in Spanish 8 Sep 95; received via Internet)

Communications and Transport Secretary Carlos Ruiz Sacristan said in a news conference that the communications and transport sector will double its investment in telecommunications. In another report, the number of unemployed in Mexico is estimated at 3 million, there has been a five-fold increase in inflation in six months, production has fallen, and the overdue portfolio has grown. The Finance Secretariat has reported that industrial activity contracted 6.2 percent compared to same period in 1994. (Mexico City XEW Television Network in Spanish 0430 GMT 8 Sep 95)

Pemex reports export oil increases in August compared to the preceding month. Light isthmus exports to America are up by $0.34 to $16.07 in August from $15.73 in July. Heavy Maya crude closed at $13.44 in August, a $0.06 increase compared to $13.38 in September. For Europe, prices went up $0.14 during the first 15 days of August to settle at $13.28. The July price was $13.14. Pemex added that light crude to the Far East sold at $16.12 with a $0.28 increase compared to $15.84, and light increased $0.03 when it went from $13.49 in July to $13.52. Export breakdown by type of crude between January and August 152,000 Isthmus type, 742,300 Maya, and 417,300 Olmeca. Pemex crude exports for August were on average 1.5068 million barrels a day. Crude exports to the United States were 78.6 percent of Pemex exports, Spain 8 percent, and the Far East 6.1 percent. Exports to other countries in the American continent reached 4.7 percent and 2.6 percent to the European market. (Mexico City NOTIMEX in Spanish 0130 GMT 11 Sep 95; datelined Mexico City)

UNCTAD annual report says that the key to success in Mexico is investments and exports to reverse financial crisis effects and the devaluation. International reserves in August amounted to $15 billion after a balance of $8 million in December. UNCTAD predicts a 5 percent decrease in growth for 1995 and reminded of the reports over the past five years of fleeting capitals in the Latin America area. (Mexico City REFORMA in Spanish 11 Sep 95; received via Internet)

The Business Coordinating Council predicts that Mexico will undergo a "small growth" in its economy during 1996, but it will not be before 1997 when the economy gains "greater stability." Some recovery can be noted with monthly inflation going from 8 percent in April to only 1.7 percent in August. (Mexico City NOTIMEX in Spanish 2027 GMT 12 Sep 95; datelined Merida)

The Bank of Mexico has reported that up to 8 September international reserves reached $15.215 billion, a $142 million increase compared to the amount on 31 August. (Mexico City NOTIMEX in Spanish 1431 GMT 13 Sep 95; datelined Mexico City)

Border Fence Measure Viewed as 'Unilateral'

PA1309153695 Mexico City NOTIMEX in Spanish 0232 GMT 12 Sep 95

[FBIS Translated Text] El Paso, 11 Sep (Notimex) — The Consulate General of Mexico in El Paso pointed out today that the construction of a new metal fence between El Paso, Texas and Ciudad Juarez, Chihuahua, should in no way be viewed as a measure of a bilateral nature.

A communique made public here points out that "The measure must respected as a part of a unilateral decision by the U.S. Government, but in no way should be interpreted as being the result of any bilateral agreement."

The document was made public shortly after Doris Meissner, commissioner of the U.S. Immigration and Naturalization Service, announced the construction of a new fence to contain the flow of illegal immigrants.

Even though certain technical aspects are still pending "everything would seem to indicate that the fence will be built over the border line and not parallel to the railroad track, which is an alternative both governments had discussed several months ago," the communique adds.

The communique also explains that the measure was "aimed exclusively at protecting the commercial trains that cross this area."

Meissner announced that the new fence would be built along the two-kilometer border west of El Paso, between the communities of Sunland Park, New Mexico, and the border town of Anapra, Ciudad Juarez, located in the Mexican state of Chihuahua.

The fence, the seventh metal barrier built since 1990 by the U.S. immigration authorities along the border with Mexico, will be 2 meters high and will cost approximately $100,000.

The fence will be built at the point where the Rio Bravo ceases to serve as a natural border, where one of the influence limits of Operation Blockade stops and the Border Patrol is responsible for patrolling over 35 Km of border in El Paso.

The Mexican consulate expects that "the measure can be rectified by the Border Patrol, which is responsible for building the fence, so that the negative impact it will have on the lives of the communities located on both sides of the border can be mitigated," the communique adds.

The measure has so far been rejected by nine El Paso community groups that are involved in safeguarding the human and civil rights of immigrants.

Belize

Tension Increases Along Belizean-Guatemalan Border

FL1409010595 Bridgetown CANA in English 2100 GMT 13 Sep 95

[FBIS Transcribed Text] Belize City, Belize, Sep 13, CANA — Belize's border problems with Guatemala have surfaced again.

Foreign Affairs Minister Dean Barrow told reporters that earlier this month, a Belize Defense Force (BDF) team patrolling the western border removed some Guatemalan farmers who had settled illegally on the Belize side of the border and were engaged in farming.

According to Barrow, the BDF destroyed the cornfields the Guatemalans had planted.

He said the action was well within the constitutional rights of the soldiers, "in terms of their protection of Belize's territorial integrity."

This latest incident has caused some reaction in Guatemala, which Barrow said was being fueled by the Guatemalan Press.

"The Guatemalan farmers that were ejected from the area have complained to the Guatemalan authorities and the Press is suggesting that the BDF soldiers crossed into Guatemalan territory to harass Guatemalan settlers," Barrow told state Radio Belize.

"We were clear in our own mind based on the map that in fact relying on our constitutional position that the Guatemalans were on Belize territory and that the BDF did what it was obliged to do."

Belize's Charge de Mission in Guatemala, Mike Mena, was to have a meeting with the Guatemalan Foreign Minister Alejandro Maldonado Aguirre to discuss the problem.

Barrow is optimistic that the issue will be settled amicably.

"Diplomatically, we are trying to say to the Guatemalan Foreign Ministry that we are, of course, always prepared to talk through these things. We would hate for any kind of military hostility to ensue and we do not think that is likely," Barrow said on national radio.

"We certainly get the impression that the Guatemalans for their part are also willing to talk but, of course, we have to say quite frankly to the Guatemalans that the BDF was only doing what it is obliged to do in terms of protecting Belize's territorial integrity."

Belize has often complained about Guatemalans setting in their border territory. Guatemala has had a long-standing territorial claim to Belize and at one time refused to recognise the state's political independence.

El Salvador

ANTEL/ISSS Strikes, Skirmishes With Police Reported

Striking Workers Accuse Police of Violence

PA1309043195 Mexico City NOTIMEX in Spanish 1933 GMT 12 Sep 95

[FBIS Translated Text] San Salvador, 12 Sep (NOTIMEX) — Union members reported that violent riots broke out today in San Salvador when policemen broke up groups of workers in two state institutions that went on strike.

Three unions of the National Telecommunications Administration (ANTEL) said today that riot police violently attacked workers as they were attempting to put an end to a strike which was originally planned for three days.

The union, which began a 72 hour strike on Monday because of salary disputes, decided to call off the strike in reply to ANTEL President Juan Jose Domenech's request that the strike be suspended to renew negotiations.

Alirio Mejia, dispute secretary of the Association of Salvadoran Telecommunications Workers, said that although the strike was 90 percent successful, soldiers have taken over 310 offices since Sunday and kept out militants and union leaders.

Four persons, including minors, were affected when tear and pepper gas canisters were hurled into the air. A clash almost broke out between strikers and the police in different ANTEL agencies.

Mejia announced that an unidentified policeman, who was guarding ANTEL's main building, warned that a list supplied by the group of people who were not to be allowed inside "will end up in the hands of the Black Shadow," a death squad.

The policeman's warning "would show that within the PNC [National Civilian Police] there are death squad structures" that emerged in 1995 "to execute common criminals."

The union leaders hope by lifting the strike that the government and management will immediately begin negotiations that will meet the demands of over 6,000 ANTEL workers.

Meanwhile, workers of the Salvadoran Social Security Institute (ISSS) charged that this morning riot policemen forced their way into at least three buildings where the workers had started a strike.

Roberto Mendez, dispute secretary of the Trade Union of Salvadoran Social Security Institute Workers, affirmed that in the early morning hours of today the PNC hurled tear gas at three ISSS buildings, including a children's hospital in San Salvador.

He explained the strike will be indefinite until the ISSS authorities call them to continue the discussion of a collective bargaining agreement, which begun to be discussed last April has is 50 percent negotiated.

The labor leader noted that at least some 5,000 workers brought administrative functions and external consultations to a halt nationwide, although hospitals and emergency rooms remained open.

Police Communique Blames Workers for Violence

PA1409013195 Panama City ACAN in Spanish 2341 GMT 12 Sep 95

[FBIS Translated Text] San Salvador, 12 Sep (ACAN-EFE) — The National Civilian Police (PNC) of El Salvador and social security workers today accused each other of causing the violent incidents that occurred on the first day of a strike which left a balance of 14 union members arrested.

In an official communique, the PNC said that the officers appeared at the installations of a unit of the Salvadoran Institute of Social Security (ISSS), located in Atlacatl neighborhood, to "allow the free entry of ISSS beneficiaries," but they were attacked by workers.

A PNC source confirmed to ACAN-EFE the arrest of 14 union members during the disturbances in which several people were affected by tear gas hurled by the police officers.

The police knocked down the main gate, of iron, of the ISSS building in Atlacatl, and then several officers entered the place and beat up several workers before arresting them.

Oscar Aguilar, secretary general of the ISSS labor union, has stated that the PNC "is playing a role it shouldn't be playing" in seeking solutions to labor conflicts, since there are other legal bodies responsible for doing so, like the Ministry of Labor and the authorities of the institution.

The labor leader rejected the accusations of the ISSS management in the sense that the strikes affect the ill. He remarked that "we are not adversely affecting the health of the population because we continue to take care of emergencies."

The government, he added, "has already adopted as an institutional policy that the police resolve the labor conflicts through violence and a hospital should not be on the repressive agenda of a police corps."

According to Aguilar, at the time of the incident, there were approximately 800 people inside of the building, including workers, inpatients, and outpatients.

"We request the immediate liberation of our fellow workers violently arrested by the PNC; these incidents revitalize our struggle further;" they complicate the situation further, Aguilar affirmed while warning that it may prompt "a response" from workers.

Aguilar accused management of having withdrawn from the bargaining table during the collective bargaining agreement negotiations which is renovated every two years.

Meanwhile, ISSS deputy director Jose Sergio Mena told the press that "we are greatly disturbed by the events of this morning, especially after looking at the negative action of the labor union."

According to the official, the negotiations of the collective bargaining agreement were already advanced, but "they launched this action of force that responds more to a preconceived plan of agitation than to a search for labor demands."

Guatemala

Acting Congress President on Belizean Representation

PA1309120695 Guatemala City Teleonce Television in Spanish 0400 GMT 12 Sep 95

[From the "Telepress" newscast]

[FBIS Translated Text] Acting Congress President Lizardo Sosa Lopez has pointed out that presence in Guatemala of a Belizean diplomatic representation is a direct consequence of the foreign policy measures adopted during the government of Jorge Serrano Elias:

[Begin Sosa recording] The efforts of President Serrano and Foreign Minister Alvaro Arzu led to agreements that allowed a representation of that level here in the Republic of Guatemala. This is a past decision that was virtually implemented. In the administration of President Ramiro De Leon we have managed to gain ground lost in the past, especially because Guatemala safeguarded territorial rights over the Belizean territory and left pending a settlement on all aspects pertaining to limits. [end recording]

Executive Branch Orders Demobilization of Reservists

PA1409002395 Guatemala City PRENSA LIBRE in Spanish 9 Sep 95 p 6

[FBIS Translated Text] By order of the executive branch, the Army will officially demobilize at least 26,000 military reservists [comisionados militares] who operate throughout the national territory during a ceremony that will be held at the Mariscal Zabala Brigade, on 14 September, military sources revealed yesterday.

President Ramiro De Leon Carpio, his minister of defense, and the chief of staff will preside over the ceremony, in which a tribute will be paid to those who formed the military reserve forces for 13 years, who will be represented by delegations from each department of the country.

The resolution of De Leon, which is based on the powers granted by the constitution to the president, will be published soon in the Official Daily, the source stated. However, the source said he does not know the date of the publication of this resolution.

International Pressure Influenced the Decision

However, this presidential decision was apparently not initiated by the government. According to the source, there was international pressure and even pressure from the rebels involved in this decision.

In this regard, the source affirmed that at the moment they are demobilized, military reservists will automatically join civilian life, although legally they will not be disengaged from the Army as a result of the existence of various articles of the Basic Law.

According to Article 6 of this law, comprising the Armed Forces, in addition to the officers, noncommissioned officers, and soldiers, are the so-called *available forces,* which are precisely made up of the military reservists. However, this provision can only be modified or repealed by Congress, so the continuation of the Army-reservists' relationship will depend on congressmen, the source stressed.

Given the changes that have occurred in the world, and given the pressure against Guatemala, it is nearly impossible that they — the reservists — *be called to serve again by the military, and given these same changes, we are aware that the Army will have to change. It will perhaps be reduced, or it may keep its same number of members fulfilling other social projections, but at any rate it will have to change,* the source added.

GAM [Mutual Support Group] Views This Decision Favorably

For GAM leader Ninth Montenegro, the government decision to demobilize the military reservists throughout the national territory represents a positive decision of the president, and it denotes an act of political will to gradually disarm the country.

This resolution falls within the overall human rights agreement, about the need to oversee in the future the disarmament of different sector, like the Civilian Self-Defense Patrols, PAC, and the attempt to create new civil or social service laws, she explained.

The activist concluded that given the fact we are in the latter part of a 35-year armed conflict whose end is irreversible, the armed institution is obliged to reduce its paramilitary personnel.

Nicaragua

Army 'No Obstacle' To Creation of Defense Ministry

PA1309161995 Managua BARRICADA in Spanish 12 Sep 95 pp 1, 2

[Report by Noel Irias]

[FBIS Translated Text] General Javier Carrion, National Army chief of staff, has said his institution is no obstacle for the creation of a future defense ministry in Nicaragua.

Gen. Carrion commented, during a recess of a meeting between the National Army and senior officials of Costa Rica's Security Ministry, that it is highly unlikely that said ministry will be created in view of the conditions that exist in the upcoming electoral year.

"In principle, we are not opposed to it, but we must create the conditions to establish a defense ministry. It is not advisable to create it in a rush and to follow political plans," the military chief remarked.

"The next government will have to assess the views by experts and personalities on the topic to consider the creation of a liaison office between the executive branch and the Army," he stated.

In general terms, "this liaison office would be tasked with exchanging timely information that will help fulfill our missions, optimize operational tasks, and establish a single criteria on topics of common interest," according to Carrion.

The military chief, however, deemed it advisable to maintain the constitutional principle whereby the president is the supreme chief of the nation's defense and security forces.

"The rest of the regulations must be of an administrative nature to strengthen ties with civilian society and, fundamentally, with the government cabinet," the general concluded.

During a meeting held at El Murcielago Farm, Costa Rica, the Nicaraguan Army and that country's public security authorities, a cooperation agreement was signed that includes joint patrols along the border strip, exchange of information, and future joint operations against organized crime.

Army General Joaquin Cuadra and Costa Rican Security Minister Juan Diego Castro signed the agreement in a brief ceremony.

Castro explained his government is interested in exchanging experiences with the Nicaraguan Army in matters of mutual interest, especially in canine training and police patrols.

Castro said: "We know the Nicaraguan Army has K-9, canine technique, experience and we want to learn."

The agreement especially envisages exchanges of information as well as joint operations against the trafficking of illegal immigrants, contraband, cattle rustling, car stealing, and arms and drug trafficking.

The two established a series of periodic meetings between the Nicaraguan military commanders in the southern part of their country and the persons responsible for Costa Rican public security in the region on the border with Nicaragua.

The two delegation chiefs pointed to the historic ties that link Costa Rica and Nicaragua in defense of their respective sovereignty, independence and stability, which in this particular case is being threatened by international criminal bands operating in the Central American area with growing levels of organization.

Chief of General Staff General Cuadra was accompanied by Army Chief of Staff Major General Javier Carrion, Colonel Lenin Cerna, adviser for intelligence matters; Navy Commander Frigate Captain Manuel Rivas; National Police Director Regiment Commander Fernando Caldera; and Major Juan Estrada, chief of the IV Regional Command, among others.

Poll Shows People Want Different Political Option

PA1409002095 Managua Radio Nicaragua Network in Spanish 1130 GMT 11 Sep 95

[From the "620 Newscast"]

[FBIS Translated Text] According to a Cid-Gallup poll, Nicaraguans are seeking a new electoral option, different to the ones that exist now.

Most Nicaraguans, according to this poll, hope to have a different political option than the ones that exist so far to vote in 1996. The poll revealed that 34 Nicaraguans out of every 100, have no intention of voting for the current electoral options, namely, Liberal Alliance, Sandinist National Liberation Front [FSLN], National Opposition Union [UNO], Sandinist Renewal Movement [MRS], or the National Project.

According to the poll, the FSLN would only get 24 percent of the votes, UNO, 7 percent, and the National Project, 3 percent. The same poll showed that 57 percent of Nicaraguans do not want an electoral choice related to Sandinism, Somozism, or the current government. The MRS also obtained 3 percent of the votes, showing that if this trend continues the elections will have to be decided in an run-off.

Panama

University Students Burn U.S. Flag To Protest Base Talks

PA1309171495 Panama City LA PRENSA in Spanish 13 Sep 95 p 5A

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] University groups yesterday burned a U.S. flag with a picture stuck on it of President Ernesto Perez Balladares opposite PRD [Democratic Revolutionary Party] headquarters, during the first street protests after the Panamanian president announced a possible renegotiation for a U.S. military force to stay beyond the year 2000.

About 30 students shouted antigovernment slogans against the U.S. administration for about 30 minutes, opposite the offices of the PRD, the party to which Perez Balladares is secretary general.

Last week the Panamanian president met in Washington with President Bill Clinton. After the meeting it was announced that it has been decided to hold "exploratory talks" on the possible stay of a U.S. military force beyond the year 2000.

"Bing, bang, boom, gringo go home," "the martyrs spoke clearly: no bases," "Panama yes, Yankees no," "Yankee troops get out of Panama and Central America," shouted the students who demonstrated peacefully outside the PRD offices, which had closed doors.

The United States maintains on the banks of the canal about 7,500 soldiers and 10 defense sites, which should be dismantled by 31 December 1999, according to the Torrijos-Carter treaties signed in 1977.

The university students accused the PRD of having "demagogue reptiles" among its ranks.

Leader Gilberto Marulanda said that "we are condemning possible base negotiations because we cannot allow an offense to the blood of our martyrs, who fought for the country's sovereignty."

The image of the PRD, which in the past was feverishly against the U.S. administration, has been negatively affected by criticism by the opposition and Panamanian nationalist sectors following Perez Balladares' announcement.

During the protest, no leader or activist of the party created by (deceased) General Omar Torrijos came out to face the university student disturbance or to give an explanation.

Official on Moving Paitilla Airport to Albrook

PA1409002295 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Sep 95

[Report by Luis Alberto Jimenez; from the "RPC Television News" newscast]

[FBIS Translated Text] The Foreign Ministry and the U.S. Embassy in Panama are stepping up conversations to lift the restrictions preventing the landing of airplanes in Albrook Airstrip, the only impediment for the transfer of Paitilla Airport to these installations.

The Albrook Airstrip is one of the first properties that reverted to our country in accordance with the Torrijos-Carter Treaties. Its 6,800 feet of length become an alternative for the transfer of Paitilla Airport, but there are restrictions in the treaties preventing the landing of aircraft on this runway.

[Begin Captain Miguel Von Seidletz, deputy director of the Civil Aeronautics Directorate, recording] Therefore, as long as these restrictions are not lifted, we cannot consider a transfer. This matter must be worked out between the Foreign Ministry and the U.S. Embassy. I understand a lot of progress has already been made at this level, but no final response has been given as yet. [end recording]

Another alternative for the Paitilla Airport is the project of the sea airport, which will extend into the sea. This project would be carried out with the proceeds from the sale of the current lands, however, nothing has been defined in this regard.

First Lady on Proposed 'City of Knowledge'

PA1309234195 Panama City LA PRENSA in Spanish 10 Sep 95 p 47A

[Article by First Lady Dora Boyd de Perez Balladares]

[FBIS Translated Text] Beijing — Did you know that Babson College, space agencies and organizations, Robert Redford and The Sundance Institute, Florida International Institute, University of Delaware, and Didacta Natura — among many other prestigious organizations — are interested in forming part of the proposed City of Knowledge?

It is possible that you did not know this in detail. One thing I am sure of is that my enthusiasm is shared by all future leaders, progressive professionals, and women willing to form part of the ranks of development that are being built only with a knowledge and desire to be excellent and have the quality that is demanded by the millennium that is on the threshold of the calendar.

The City of Knowledge, a multidimensional center of research, learning, and dissemination of science and technology, dedicated exclusively to handling humanist-social development and a third category which is the complementary balance of the two previous positions, is presented by Panama as the best and most viable option for a nation to become a part of the First World.

With the consolidation of this project, an all-out war against mediocrity will be waged and ignorance will be defeated from the installations located at Albrook — that today house the military bases of the Southern Command — that will revert to Panama according to the 1977 treaties. There are possibilities for expansion into a second stage at the Clayton military base.

Albrook has 311 hectares located between the Panama City downtown area and the inter oceanic canal, and it has administrative installations and buildings for classrooms; shopping, sports, and recreational facilities; residential areas for teachers and student dormitories; facilities for community services, a highway system with easy access into the city, and a broad green area. What more could one want?

There are governments interested in this project such as Norway, Russia, Ecuador, Japan, Germany, France, Cuba, Israel, Korea, Taiwan, Thailand, and the United States. The project is being promoted in Mexico and Canada. In addition, it is being studied by the Latin American Parliament and by the Institute of Superior Studies and Aeronautical Sciences in Panama.

There are serious and formal proposals, including UNESCO, UN Development Program (PNUD), AID, The International Institute of Theoretical and Applied Physics, the Pan American Association of Physics at Tulane University, the Physics Department of IBM Corporation, the Research and Physics Department of the University of Texas at Austin, and Partners of America. I am sure that as the project advances, many more will join the initiative.

The project has been the object of international proposals for technical advice from The Academy for Educational Development and George Washington University through the Implementation Strategy Technical Assistance Proposal, with a budget that could reach $1 million.

Those who have aspirations know how important all of the names are that I have mentioned here.

With this idea in mind and through the Panamanian delegation that I am honored to lead at the "Fourth World Conference on Women: Action for Equality, Development, and Peace" before the most diverse and large group ever to meet late in this century in Beijing, China, we present to the world our purpose of including an International Center of Studies for the Development of Women that will promote an analysis of women's problems and achievement of solutions for solving inequalities through the decided and unyielding action that the women of the world will promote.

Education is the key for opening the doors that remain halfway open for reaching a fair and timely solution. Evolution advises that only the best trained will successfully live through the changes that the process of globalization entails.

Our willingness to provide services, our territory, our geographic location, our hopes for peace and rapprochement are our best offer.

The City of Knowledge promises to become the meeting place for scientists, professionals, businessmen, youths, intellectuals, trade unions, political groups, institutions devoted to the search for knowledge and changes for educational development, research, and the improvement of quality of life and of mankind as a whole.

This international training complex expects to include top-level investigation, training, and updating centers in tropical studies, port, maritime, international banking, hotel, tourism areas and a Latin American journalist center that are to offer seminars, workshops, and symposiums, which will reflect the international agenda.

The City of Knowledge is not a dream. It is a reality that has been accomplished by the Saint John Military College in Canada. This institution created the military strategy that maintains this world power where its citizens have placed it. It is a place where the intellectual bounty, formed by the many talents that left Latin America and that we wish to repatriate, stands out.

The Strategic Institute; the OIU-College of the Americas, which is dedicated to socio-economic studies; the Business, Law, and Diplomacy Institute; and the Space Technology Center are also to be established at this college. Why don't we emulate them?

However, to make our project an absolute reality, we have to stop feeling sorry for ourselves. We have to stop complaining because we do not achieve total well-being or obtain the solution to our needs on a silver platter. We have to go out to find and fight for these things. We have to prove to ourselves that we are willing to make the sacrifices and to fearlessly confront the challenges because there is always room for those who are really willing to make the effort.

The City of Knowledge is a futurist project. It is an organization that will enable intercultural relations. It is apolitical and integrationist. It is an academic channel for the technological and scientific development of communication and computer science. It is a platform toward sustainable development. It is an innovative alternative for strategic analysis, the understanding of data, and its use and transference.

The City of Knowledge, just as is underlined in the summary of the First Interdisciplinary Technical Meeting, "is a complex; it is a joint effort; it is an institution; it is a project; it is a policy; it is an answer." You can be part of it. Its success and yours depends on you.

Argentina

Menem Stresses Country's Potential for Prosperity

PY1409013495 Buenos Aires TELAM in Spanish 1039 GMT 13 Sep 95

[FBIS Translated Text] Buenos Aires, 13 Sep (TELAM) — President Carlos Menem has emphasized that Argentina could become one of the most prosperous countries on earth. He noted that some people want to make him fall flat on his face, but asserted that he will not stumble.

Menem emphasized: "Some people here want to made me fall flat on my face. You may rest assured, however, that this president will not stumble because, when the person steering the ship is in good shape, the problems are solved, are overcome, just as we have overcome the effect of the Mexican crisis."

The president participated live from the Olivos presidential residence in the "New Times" program, anchored by Bernardo Neustadt and broadcast over the Telefe television channel.

During the interview, the president noted: "Tranquillity prevails in our country." Nevertheless, he admitted: "Even though there are problems, they are not only Argentina's, but are common around the world." Menem emphasized that our country "would become one of the most prosperous on earth."

The president stressed: "The difference is that in Argentina the problems are faced with tranquillity and not like in other areas where there are conflicts, struggles, and violence."

Menem added: "Investments are coming back to Argentina. The dollars that had left are coming back and this is becoming noticeable. I don't understand those people who all the time are trying to make me fall."

After criticizing the pessimistic messages "that some people want to send us," the president emphasized: "I am the one who is struggling the most day after day to achieve a democracy with increasing press freedom and freedom of expression, despite the fact that I am suffering from this situation as I am not only attacked by the media, but also by my political opponents."

Menem pointed out: "What really counts here is the people's decision, a decision that has been made since 1989, was made on 14 May [presidential elections], on 3 September [Santa Fe gubernatorial elections] and on 10 September [Chaco gubernatorial elections] (in Santa Fe Province and in Chaco Province) because Argentina does not end at the General Paz (Avenue)."

Visiting Foreigners To Receive Card on Malvinas Claim

PY1309194395 Buenos Aires TELAM in Spanish 1025 GMT 12 Sep 95

[FBIS Translated Text] Buenos Aires, 12 Sep (TELAM) — Every foreign citizen entering our country will receive an explanatory card, claiming Argentina's sovereign rights over the Malvinas Islands and other South Atlantic territories occupied by the United Kingdom.

The National Executive Branch will implement this proposal through the Migrations Directorate. The proposal is aimed at transforming the visitors of our country into "bearers" of the claim that Argentina has been unswervingly supporting at all international forums.

According to the proposal, the card will be jointly delivered with the entry card that is usually given to foreigners by the Migrations Directorate personnel. The proposal was raised by the secretary general of the Presidency, Alberto Kohan.

The card will bear the logo of the presidency of the nation and an expression voiced by President Carlos Menem, claiming Argentina's sovereignty and a commitment to giving the Malvinas inhabitants all the political and social rights enjoyed by the other Argentine citizens after the territories occupied by the British are restored to our country.

Ricardo Romano, the under secretary general of the presidency, reported that the card will also express the Argentine president's belief that the humanity must enter the 21st century without any "trace of colonialism."

Romano noted that this proposal is in keeping with the framework established by the Constitution that was reformed last year. The reformed Constitution includes a temporary provision, confirming Argentina's sovereign rights over the South Atlantic islands.

Cuban Minister on Ibero-American Education Meeting

PY1409003595 Buenos Aires TELAM in Spanish 1929 GMT 9 Sep 95

[FBIS Translated Text] Buenos Aires, 9 Sep (TELAM) — Cuban Education Minister Luis Ignacio Lopez today praised the results of the Ibero-American education ministers meeting and the participants' will to find solutions to the problems of illiteracy and school dropouts.

"I am pleased with the result of the (ministers) meeting. Participants worked hard and there was a true effort to find formulas, respecting each country's special circumstances, to raise education to a level that will really affect our nations' destiny," Lopez said.

The official held a news conference at the Cuban Embassy in Buenos Aires during which he stressed the importance the issue of education will have at the Ibero-American presidential summit that will be held in San Carlos de Bariloche 12-17 October.

During the ministers meeting in this capital 7-8 September, "officials took note of the situation of education and the problems derived from it such as illiteracy, low school attendance, the failure to approve courses, the problem of dropouts, and the decrease in the quality of education," Lopez explained.

"There was a broad agreement on the fact that teachers are the main actors in the education process and that perhaps they have not received the attention they deserve for carrying out such a noble and human task," the minister said.

Lopez made clear that "these are my viewpoints. I do not pretend to be the meeting's spokesman." The Cuban minister added that these issues "are included in the document that the presidents will analyze at the summit in Bariloche."

Lopez said "there was agreement on the need to have one year of pre-school education and on the need for children to finish their primary education, increase the attendance at secondary schools, and to establish a relation between education and job opportunities."

"I can stress, with the greatest modesty and humility, that we (Cubans) support the content of the declaration because we have fulfilled those goals," Lopez said before elaborating on education in Cuba.

"We have 12,332 schools, 300,000 education workers, and a population of 10 million people. Our country maintains the rate of one professor for each 45 inhabitants and one teacher in a school room for each 13.9 students," Lopez said.

The Cuban education minister said that in Cuba "85 percent of our children have pre-school education; basic education, up to the ninth grade, is practically universal."

Bolivia

Morales Installed as Central Bank President

PY1409023695 La Paz LA RAZON in Spanish
5 Sep 95 Economy and Business Section p B10

[FBIS Translated Text] At the Government Palace yesterday, Victor Hugo Cardenas, the acting president of the Republic, installed Juan Antonio Morales Anaya as the new Bolivian Central Bank president. Cardenas asked Morales to strengthen our national banking system.

The renown academician and economist is replacing Fernando Candia who a few days ago was installed as finance minister.

During a short speech, the acting president of the Republic emphasized the professional qualities of Morales, who had joined him in drawing up, reviewing, and finishing the "Plan for All."

15 Parties To Participate in Municipal Election

PY1309180795 La Paz LA RAZON in Spanish
5 Sep 95 p A3

[FBIS Translated Text] Huascar Cajias, National Electoral Court (CNE) president, announced that by 1800 yesterday 15 political parties had registered their initials to participate in the 3 December municipal election.

"In my opinion, the number of parties is very high because we still have two or three parties with legal status that did not register," Cajias said during a news conference.

In the past few days, several political organizations without legal status recognized by the CNE merged with parties that were late to register to participate in the December election. The control of 308 municipalities will be at stake in this election.

Other parties that have participated in municipal and presidential elections since Bolivia returned to democracy announced their desire to participate in the December election representing other movements.

FSB Withdraws

Political sources reported that the Bolivian Socialist Falange [FSB] submitted a note to the CNE withdrawing its initials just before the end of the registration period. The FSB will join Condepa [Conscience of the Fatherland] in a coalition.

Schedule

Cajias said that according to the electoral schedule, the 15 political parties registered to participate in the election have until 1830 on 7 September to present their tickets to the CNE.

The electoral schedule also establishes that political groups have until 1830 on 27 September to communicate to the CNE in which departments they will compete.

"Political parties have until 24 October to present the lists of candidates for councilmen and municipal and district agents to the court."

Voters

According to the CNE, there are 3.5 million voters in the country. Of this total, 2.2 million voters are registered with the electoral registry and 1.3 million are not registered.

Cajias said that citizens have until 18 October to register and participate in the December election.

The election will cost 24 million bolivianos, which will be paid in full by Bolivia's National Treasury (TGN).

Participating Parties

1. Free Bolivia Movement
2. For the Hinterland Movement
3. Leftist Revolutionary Front
4. Conscience of the Fatherland - Patriotic Movement
5. Solidarity Civic Union
6. Movement of the Revolutionary Left
7. 9 April Revolutionary Vanguard
8. Nationalist Democratic Action
9. National Katarist Movement
10. Nationalist Revolutionary Movement
11. Christian Democratic Party
12. United Left
13. Patriotic Convergence Axis
14. Socialist Party
15. Tupac Katari Liberation Revolutionary Movement

Brazil

President Striving To Resolve State Debt Burden

PY1309192995 Sao Paulo AGENCIA ESTADO in Portuguese 0029 GMT 13 Sep 95

[By Tania Monteiro]

[FBIS Translated Text] Brasilia, 12 Sep (AE) — President Fernando Henrique Cardoso is concerned about the state's public debt, and he would like to find a way to reduce the debt burden on state budgets. This information was released by Planalto Palace spokesman Sergio Amaral, who mentioned two debt- reduction alternatives, which the federal government considers the most feasible ones: Approval of the administrative reform by Congress — which would reduce the payroll of state governments — and privatization of state companies, which would reduce debt servicing.

Amaral said that the total state public debt amounts to approximately 76 billion reals [R]. Of this total, R41 billion was renegotiated and will be repaid in periods ranging from 20 to 30 years. The federal government does not deem it appropriate to change these conditions. What the government wants to renegotiate, Amaral said, is the public debt, which is growing substantially because of excessive personnel expenses.

The recommendation of President Fernando Henrique Cardoso to governors, Amaral said, is to avoid increasing the debt with new loans, in order to avoid aggravataing the situation. As for the need for privatization, Amaral said that privatization has reduced both the debt burden and the risk of financial agreements of improper cost.

The president today informed Rio de Janeiro Governor Marcello Alencar (PSDB) [Brazilian Social Democracy Party] that he is studying suggestions that he will make to the states for payment of the domestic debt. However, Amaral did not give details of the suggestions. Later, the president met at Planalto Palace with Vice President Marco Maciel, Finance Minister Pedro Malan, acting Central Bank President Gustavo Franco, and Presidential Secretary General Eduardo Jorge Caldas, with whom he discussed solutions for the state debt problem. There were no signs that Marco Maciel might adopt a solution during President Cardoso's nine-day absence.

Cardoso Departs for Brussels 12 Sep

PY1309182195 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Sep 95

[Report by Luis Agusto Mendonca from Brussels]

[FBIS Translated Text] President Fernando Henrique Cardoso departed for Belgium last night. His arrival in Brussels is anticipated in two hours. He will arrive at (Melsbruck) airport in Brussels at 1400 Brussels time. He will pay a five-day visit to Belgium, where he will meet with the head of state, the head of government, businessmen, and EU members.

President Cardoso will tell them that Brazil is no longer a country whose economy has nearly always been synonymous with a big question mark. Cardoso will say that Brazil currently has a stable economy and a privatization program, that the Constitution is being amended, and that the country is open to foreign investments.

As soon as President Cardoso arrives in Brussels, he will head directly to his hotel. His agenda tomorrow begins with a round table discussion with members of the European Parliament.

Cardoso Discusses Farming Problems

PY1309170195 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 12 Sep 95

[Report by Lourival Macedo from Planalto Palace; passages within italics recorded]

[FBIS Translated Text] President Fernando Henrique Cardoso today received a report on the next agricultural harvest drawn up by the newspaper GAZETA MERCANTIL. The director of the newspaper, Luiz Fernando Levy, said that this is the ideal moment to hold a debate to seek solutions, given that the agricultural problem is not only a matter that concerns the government, but also the national Congress and the entire society:

[Levy] *It is our conviction that this is the moment to adopt an initiative envisaging a forum in which all interested parties can discuss solutions.*

In the one-page interview President Cardoso granted to GAZETA MERCANTIL for its 1995-96 harvest report, he said that despite the forecasts of a smaller crop for the next harvest, the administration will not resort to imports because they will further reduce the income of Brazilian producers.

President Cardoso said that it is necessary to seek solutions to the problems of Brazilian agriculture:

[Cardoso] *There is no use in seeking someone to blame. We are all to blame. To tell the truth, agriculture had long been depleted, a fact concealed by inflation. It is easy to get away with increases with inflation. However, without inflation, the costs become evident. That is what is currently happening. Costs are evident. There are sectors that are being highly penalized because they were unable to equip themselves for the competition. Some sectors will undergo deep transformations. We have structural problems in agriculture; we must now begin to resolve them.*

The president mentioned some of the measures adopted by the administration to benefit the farming sector:

[Cardoso] *We have agreed with the rural leaders' financing terms that seem to be appropriate. We channeled funds through the appropriate means, especially through the Bank of Brazil. You should know that the private banks did not want to assume the risks again, and I stress again. Therefore there are excess funds. The Bank of Brazil has funds. We adopted measures as never before for small farmers, measures requested by the Contag [National Confederation of Farm Workers].*

President Cardoso said that the administration is studying the problem of nonpayment among farmers:

[Cardoso] *There is yet another problem; namely, the nonpayment issue. This problem must also be solved. The administration is working on this because it knows that if good financing is provided for the future, but without solving the problem of the indebted farmers; it will be difficult to solve the agricultural problem. I am not speaking of the farmers who complain, of debtors who do not want to pay; I am speaking of honest farmers who were harmed by the many mistaken measures of the past.*

According to the president, Brazil is able to face the challenge of making its agriculture more competitive. He also spoke about the recovery of the credibility of the currency:

[Cardoso] *When there was a general disbelief in our country, we adopted the firm decision of reversing such a trend and recovering the credibility of the national currency. This was an essential condition to really implement policies in this country — I am speaking of social and economic policies.*

The president criticized those who did not believe in the real, stressing that inflation is under control:

[Cardoso] *All our predictions envisage an inflation under control. We have also not lacked, quote, consultants, unquote, who forecast catastrophes. They always forecast catastrophes because they are incompetent and they are not brave. They want to scare away eventual clients, electors. They want to make newspaper headlines. But they do not have firmness or competence to make progress.*

It currently cannot be ignored — as everyone must know — that the inflation rate is below one percent monthly. Yesterday I heard that the trend of the IGP-M [General Market Price Index] tends to be deflationary, that is, it will be negative.

We must not think that this is permanent. Stability depends on constant, continuous action. As in any developed country, inflation is subject to fluctuations.

New Economic Coordination Secretary Named

PY1309180195 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 12 Sep 95

[FBIS Translated Text] Finance Minister Pedro Malan today appointed Luiz Paulo Vellozo Lucas as economic coordination secretary. The post was temporarily being held by Geser de Oliveira, economic policy assistant secretary. According to Pedro Parente, finance ministry executive secretary, Vellozo Lucas is an experienced economist who is well-acquainted with the finance ministry. Vellozo Lucas is currently planning secretary of the municipality of Vitoria, and he worked in the finance ministry in 1990, when he coordinated the team that drafted the economic opening policy and modernization of the Brazilian industry.

Luiz Paulo Vellozo Lucas is 39, from Vitoria, Espirito Santo. He will be sworn in in his post as new economic coordination secretary as soon as his appointment is published in the DIARIO OFICIAL DA UNIAO.

Committee Approves Judicial Branch Control Proposal

PY1309180695 Sao Paulo AGENCIA ESTADO in Portuguese 2150 GMT 12 Sep 95

[FBIS Translated Text] Brasilia, 12 Sep (AE) — The Constitution and Justice Committee of the Chamber of Deputies today approved, by 24 votes to 15, a constitutional amendment submitted by Deputy Jose Genoino (PT-SP) [Workers Party-Sao Paulo] establishing external control on the judicial branch. The proposal, which provides for creation of councils for supervising the managerial and financial activities of the judicial branch, was considered constitutional despite the protest of judges and representatives of the attorney general, who advocate the "independence" of the branches of government. "The opposing lobby was very strong, but the idea that finally prevailed was to demand from the judicial branch the same transparency that is demanded from Congress and from the executive branch."

The amendment proposes external supervision, but it forbids "interference in the decisions and in judicial branch activities." The council proposed by Genoino will have 10 members, 50 percent of whom will be directly elected by the judicial branch, one will be elected by the attorney general, and another by the Brazilian Bar Association. The election of the other council members by Congress shocked the judicial branch advocates within the committee. In the case of the federal council, the designation of "three citizens of society" will be approved by Congress, and in the case of state councils, by the legislative assemblies.

In the committee, the debate caused division within the PFL [Liberal Front Party], the PSDB [Brazilian Social Democracy Party], and the PPR [Progressive Renewal Party]. However, the committee decided to continue with the discussion on the judicial branch. "I do not agree with the proposal by Genoino, but I am in favor of debate," said Deputy Vilmar Rocha (GO) [Goias], the PFL secretary general, on supporting the favorable vote of Deputy Zulaie Cobra Ribeiro (PSDB-SP). "We will not pass judgment on judges or on the judicial branch but on he who is improperly discharging his duties," Deputy Jairo Carneiro (PFL) (BA) [Bahia] said, after his fellow committee member Paes Landim scolded him for being "hysterical." All this occurred after the demands by Deputy Gerson Peres (PPR-PA) [Para] against the perquisites of judges. Peres was dissatisfied because he had been "unfairly arrested" on orders from a Para electoral judge. The debates will now continue in the special committee, which will analyze the PT deputy's proposal.

Aznar Views Spanish Political Situation

PY1309220395 Rio de Janeiro O GLOBO in Portuguese 12 Sep 95 p 20

[Interview with Spanish Popular Party President Jose Maria Aznar by Rodrigo Franca Taves at the Kubitscheck Plaza Hotel in Brasilia on 11 September]

[FBIS Translated Text] [Franca] Do you think you will put an end to the 13 year-old Socialist regime in Spain?

[Aznar] Yes. I am sure I will. I believe the Socialist government term has ended and that a new majority sector, coordinated by the Popular Party, is emerging in Spain. There will be a new political project in Spain with new leaders who will be able to govern on sounder foundations.

[Franca] Spanish President Felipe Gonzalez has said he will call for elections in March. Do you think the elections can be held earlier?

[Aznar] I believe Spain needs elections immediately. I am for immediate elections. If there are not held now, I believe they should be held in November. The attitude of Gonzalez is plain resistance. There is no political project for Spain, there is no active government, but simply a resistance movement. Whatever the case, either in November or in March, the Socialist era is over and the Popular Party will reach power.

[Franca] Why do you think Gonzalez should immediately resign?

[Aznar] Because Spain comes first. When political activities are stronger in the courts than in Congress, resigning is an elementary rule of prudence and of political responsibility on the part of the government. If Gonzalez had resigned, Spain would have already resolved half of its problems.

[Franca] Is Gonzalez directly responsible for the corruption scandals that shocked Spain?

[Aznar] I believe so, because the president is the top person responsible for what occurs in the government. It might be something sporadic, but the truth is that there are so many and so frequent political scandals in Spain that it is obvious they are the result of a certain way of governing.

[Franca] Have increasing unemployment and the corruption scandals increased Popular Party chances?

[Aznar] We are a great centrist party. The Popular Party today represents modernization, transformation, innovation. The Popular Party represents a country that wants to make progress, grow stronger, and be renewed — this is the important point.

[Franca] What will be the position of Spanish nationalists in the elections?

[Aznar] I hope to have a sufficient majority to govern. I believe Spain wants a broad majority, a strong government. We will have to implement economic reforms, we will have to recover the country's morale, and we will have to show others the meaning of mature democracy. In light of this, we will practice a policy of integration, and the duty of all nationalists is to support integration.

[Franca] If you are elected, what type relations do you intend to have with autonomous regions like Catalonia?

[Aznar] Our relations will be institutional, normal. All decentralized states — Brazil is also a decentralized state — have problems in relations between the states and the central government. All decentralized countries have some degree of tension in those relations. The important thing is to respect the principles of constitutional and political loyalty, and — obviously — to have a spirit of cooperation to resolve problems.

[Franca] What is the objective of your visit to South America?

[Aznar] I am visiting five countries: Chile, Argentina, Uruguay, Brazil, and Paraguay. The essential objective is to establish relations between the European Union and Mercosur [Common Market of the South]. I believe Brazil and Spain have a very broad range of opportunities for promoting their ties, from a cultural, commercial, and political viewpoint.

[Franca] Are you not afraid of other attacks like the one in April?

[Aznar] I am not. I was not afraid of the first one and I am not afraid of the second one. I must be ready for that. An attack always leaves a mark on a person, because terrorists are terrible murderers.

[Franca] Were you expecting such a landslide victory in the local elections held in Spain in May?

[Aznar] Yes. We won in 42 of the 50 most important cities. I was expecting it.

PFL Leader Views Party Policy

PY1309221095 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Sep 95 p A9

[Interview with Deputy Inocencio Oliveira, leader of the Liberal Front Party bloc in the Chamber of Deputies by Joao Domingos "last week"; place not given]

[FBIS Translated Text] [Domingos] Will you continue to respond to those who attack the PFL [Liberal Front Party]?

[Oliveira] Yes. I believe these charges are a counterreaction. Yet I would not like those events to happen again.

[Domingos] President Fernando Henrique Cardoso said the fight between the PFL and the PSDB [Brazilian Social Democracy Party] is a minor issue. Do you agree with that?

[Oliveira] There is now something that is important for Brazil and that is more important than the interest of parties: the continuation of the constitutional reforms that will modernize Brazil, so that the country may adapt itself to the new world order.

[Domingos] Why is the PFL the PSDB's preferred target?

[Oliveira] The PFL has specific features and a defined program. I, and for that matter, all PFL leaders like Chamber of Deputies President Luiz Eduardo Magalhaes (PFL) (BA) [Bahia], speak very simply. Everyone knows the PFL advocates free initiative, free competition, and the privatization of sectors that are not basic state activities, leaving for the private sector everything that should not be undertaken by the state.

[Domingos] In your opinion, is the intransigent defense by the PFL of privatization the main reason for the attacks and criticism against your party?

[Oliveira] We advocate privatization because we believe that with the funds to be obtained from privatization we will reduce the public debt. This will make interest rates drop and promote production, create jobs and increase the currency inflow. We have our identity, and this is why we are the target, not only for the PSDB but also for other parties. Because of our current position, we have become the adversaries of practically all other parties. The exercising of power provokes disagreement, but the expectations to reach power cause much more discrepancies.

[Domingos] Do you believe other parties are jealous?

[Oliveira] The PFL has a program, the PFL 2000, which involves expectations to reach power. Yet we will not reach 2000 without first passing through the elections of 1996 and 1998. I do not mean to start a controversy with the PSDB or with any other party, because we will certainly make many alliances in the counties. We will strictly comply with the truce that was requested by the president.

[Domingos] If the PFL is getting ready to become an alternative for power, does this mean that the party no longer supports the reelection of President Fernando Henrique Cardoso?

[Oliveira] We still support the reelection of President Cardoso, but only the reelection of the president. Why only the reelection of the president? Because in our opinion, when the presidential term was reduced from five to four years, it was done with the expectation that there would be reelection. Yet I believe we should not discuss the subject now, because it can hinder the constitutional reform and elections over the next few years. The right time to address the subject will be 1997. The PFL remains firmly committed to the reelection of President Fernando Henrique Cardoso and of Vice President Marco Maciel. We believe this ticket has succeeded, that it is doing a lot for Brazil, and that it will do a lot for the country. If in 1997 President Cardoso is as well as he is now, there will be social pressure and Congress will have to approve the reelection because Congress reflects the will of society.

[Domingos] The president asked for a truce in the fight between the PFL and the PSDB, but not everyone has complied with his request. One example is Sao Paulo Governor Mario Covas. Do statements like the one he made, that the alliance has already lasted too long, hinder government action?

[Oliveira] They do. We dined with President Cardoso. We believed the objective of the dinner was to clarify the events that were happening, in order to establish the rules for coexistence between the PFL and the PSDB, the two parties that are the axis of the president's congressional support bloc. The PFL and the PSDB have more responsibility, because we participated in the election of President Fernando Henrique Cardoso.

[Domingos] How is that?

[Oliveira] We, the members of the PSDB and the PFL publicly sponsored ideas, programs, and principles. We participated in the start of the "Let's Get To Work, Brazil" program of government of candidate Fernando Henrique Cardoso. Today we are sponsoring this program. Whenever we vote for the constitutional amendments in Congress, we do it not just because we want to vote for them but because they are part of the program of government that we helped to build, that we helped to draw up, and that we publicly sponsored.

[Domingos] Is the PFL so loyal that it supports the reforms just because it sponsored the president's campaign?

[Oliveira] The PFL is supporting the reforms not only in order to support President Fernando Henrique Cardoso, but also to benefit Brazil. The reforms will not benefit only the government of Fernando Henrique Cardoso. Above all, they will benefit Brazil.

[Domingos] Claiming that he was "neo-social," President Cardoso rejected the "neo-liberal" label that was attached to his government. Wasn't the PFL affected by this statement?

[Oliveira] Those who believe that we are neo-liberal are wrong. We are social-liberal. This is quite different. We do not advocate free competition just because we believe the market can regulate itself. Our opinion, which we advocate, is that employment is the great social achievement of liberalism. With their jobs, citizens can maintain their families. This is social liberalism. We advocate a better distribution of income in Brazil. Income is created by the productive sector, not by the speculative sector.

Lack of Funds in Armed Forces Viewed

PY1409024495 Sao Paulo ISTOE in Portuguese 6 Sep 95 p 28

[Article by Helio Contreras]

[FBIS Translated Text] This was not certainly the reason why the Armed Forces made, and then finished, the "revolution." Ten years ago, a gesture by then President Joao Figueiredo — who did not pass the presidential sash to civilian Jose Sarney — marked the end of the Brazilian military regime. Today, the Armed Forces are experiencing their worst financial crisis. The constraint caused by the situation is affecting the military as individuals — who have been unable to balance their own budgets with their monthly salaries —the barracks, hangars, the sea fleet, and even the dreams of Brazilian diplomacy. While striving to obtain a permanent seat at the UN Security Council, Brazil has shown to be unable, because of a money shortage, of a relatively simple action — the sending of troops to contribute to the peace process in Angola. Consideration of a United Nations request in this regard has been postponed since

May. Only recently has the first 200-man contingent, of the 1,100 who were requested, been able to leave for that country. ISTOE correspondent Osmar Freitas Jr. reports that in New York, UN diplomats wonder how a country whose Army can hardly make an intervention in a neighboring continent can expect to sit at the table of the world elite.

Inside Brazilian territory, the lack of funds has caused comic situations. At the border with Argentina — a neighboring country that Army strategists have already identified as an enemy that must be kept under close surveillance — the five barracks in the Rio Grande do Sul town of Uruguaiana have problems in conducting firing exercises. In that area, in 10 weeks of training, a rifleman can fire only five shots with original ammunition for his rifle. Exactly that. Five true shots in 10 weeks of training. Buckshots, which are cheaper, are used for the other shots, instead of actual ammunition.

In another area, the Air Force drama has been thoroughly reported by Aeronautics Minister Mauro Gandra. "Because of lack of spare parts, we have 160 planes on the ground, without any possibility of flying," he complains. The process of cannibalization, by which a defective part of an operating plane is replaced by a good one from a grounded plane, is becoming increasingly common.

At the Santa Cruz Air Base, in Rio de Janeiro, which is the largest Brazilian air base, the 25 F-5 jets are considered technologically obsolete. The only consolation is a promise by President Fernando Henrique Cardoso, who told Minister Gandra that funds would be soon released for modernization of the air squad.

The Navy is the branch that is better prepared to face scarcity. However, it is also facing problems. With much effort, it has managed to build four of eight scheduled corvettes. With German financing, the Navy will equip the fifth corvette, which is already being built. It will also manage to build another conventional submarine. The old dream to make a Brazilian nuclear submarine must be shelved. Moreover, the Navy has been unable to operate its fleet as expected. The Navy this year estimated that its expenses would reach 262 million reals [R] in the first half of the year. However, it received only R142 million. "We have already reached the bottom of the hole," minister Gandra said.

German Trade Official Views Relations

AU1309115595 Munich SUEDDEUTSCHE ZEITUNG ("Brazil" Supplement) in German 13 Sep 95 p IV

[Interview with Werner K. Ross, president of the German-Brazilian Industry and Trade Chamber, by Hans-Herbert Holzamer in Sao Paulo; date not given: "Home Advantage in the International Tournament"]

[FBIS Translated Text] [Holzamer] The Germans are only the second largest investors now. Why?

[Ross] We are already one of the first players in Brazil. As long as the policy was rather restrictive, everyone who had a strong position in the country — and we were among those — naturally tried to take advantage of the existing protection in these surroundings. As a result of the economic opening up, which started in 1990, the entire thing has rather become an international tournament.

[Holzamer] Thus, the restrictive course also benefited the Germans who were in the country?

[Ross] Basically, all foreigners who were in the country were protected.

[Holzamer] How important is the Mercosul [Common Market of the South] market, as it is called in Brazil?

[Ross] When you see that in this region we are already achieving a GNP of $800 billion with about 200 million consumers, this is a figure that has attracted attention. In addition, you can feel that, in the long run, there will certainly be a Pan-American association.

At the moment the Brazilians are the ones that are still rather stepping on the brake because they rely on their traditional friendship with Europe. However, in the short run, we can see at least another 30-percent increase in consumers in the GNP if we include the entire South American subcontinent.

[Holzamer] How do you assess the national measures? The constitutional reform has still not been implemented, and the same goes for the tax laws.

[Ross] The reforms are a problem because of the high degree of political heterogeneity in this country. However, it is a fact that they have started. It may be a distinguishing quality of President Cardoso that he does not try to impose strong-arm methods. The important thing is that in Brazil there is no longer a difference between national and international capital. This has already been done and, in addition, there are also quite a number of things that ensure the access of foreign capital to maritime transport, ore production, or mining. Now the basic things have to be done, such as administrative reform, tax reform, and there regional emotions are boiling up, of course.

[Holzamer] Has the controversy over the import quotas for cars meanwhile been settled?

[Ross] More emotions boiled up in this connection than were necessary. It was clear that the country would not be able to withstand the high pressure of imports, in particular in the automobile sector. The controversy was primarily with Argentina and there one might have acted a bit more carefully. But I think that the matter has been settled now.

[Holzamer] For many investors it is a matter of the industrial location. How liberal is the Mercosul really?

[Ross] You always also have to look at the market volume, at the market potential. The opening up of the market for cars has lured a number of other foreign car producers into announcing plans for Brazil, such as Peugeot, Renault, and Toyota. Of course, it is the primary goal of the companies that establish themselves in Brazil also to produce for the local market. Slowly, both countries — Argentina and Brazil — learn that in the Mercosul they depend on each other, because if you take away one of the two countries, there is no more Mercosul.

[Holzamer] There are the 150 million Brazilians.

[Ross] Yes, and in addition there are 50 million people in the Mercosul and another 100 million in South America. These consumers are the primary target of the companies that go to Brazil. Brazil is no longer a low-wage country. Brazil will have to have an export share. And there is the problem of a deficient infrastructure for road and maritime transport in Brazil.

[Holzamer] If one looks at German-Brazilian trade, it is still raw materials that are delivered by Brazil.

[Ross] This is true, indeed. But there the exchange rate plays a big role. Many companies that had started to export two years ago have retreated again for the time being.

[Holzamer] If a German medium-sized company comes to you today to invest in Brazil, what would you ask, what would you advise?

[Ross] Brazil is no longer a low-wage country. There is no point in having someone come and believe that he could do something with cheap labor that he can no longer do in Germany. We still have lower wages for work, but we also have lower productivity. Therefore, I would ask a medium-sized company first which product it wants to produce and whether it is internationally competitive with the technology that it wants to bring to Brazil.

If these questions can be answered in the affirmative and there is a strong domestic market for the product, my next question would be whether the company has a global strategy and is also willing perhaps to include export shares into this Brazilian venture. The third question is whether it is willing to adjust to specific national circumstances and accept a partner who makes sure that these circumstances are included in the venture.

[Holzamer] What do you mean by that?

[Ross] For instance, in the car industry in Brazil you have very turbulent surroundings. Anyone who takes information that is disseminated generally too seriously, anyone who reacts immediately, loses. In Brazil you have to let things approach, analyze them, and then react sensibly to them. This is often a deterrent for medium-sized companies that do not have any experience in this country. In this case, a Brazilian partner is very helpful. On the other hand, for us Germans Brazil is very transparent, regarding both politics and culture. German-speaking immigrants came to Brazil 170 years ago and had a great influence on the development. There is nothing that we cannot understand there. Even though things are different — because of the climate, as they are more southern — they are still understandable.

Even if one sees the micro-instabilities of the economy, the situation has been relatively quiet in South America. The president of Uruguay recently said at a conference: "Everywhere they say that the 1980's were lost years. We do not see it this way, because in the 1980's democracies were established in almost all the South American countries." This may be the reason that the economy also made progress. I think it is important for a medium-sized company to know that it comes to a place that is understandable. In addition, remaining issues, such as patent laws and investment protection agreements, will finally be concluded over the next few months. When you walk through the large German companies nowadays, you see very, very few employees of the mother company in the management echelons. Brazil already has a very good supply, both of managers and in the production area.

[Holzamer] Where do they come from?

[Ross] Brazil is one of the very few threshold countries that is promoting professional vocational training, the so-called Senai schools, which teach crafts and also electronics, and the people trained there are really among the top people whom we have in industry. This is also one of the central tasks of the Chamber in Sao Paolo: to provide training. In cooperation with Baden-Wuerttemberg, we have trained about 5,000 industrial master craftsmen over the past years.

Together with the consulate general and one of the bilateral schools in Sao Paulo, the Humboldt School, we train commercial experts, following the dual training system. There we have commercial employees, as well as forwarding merchants and bank employees. Now we have initiated a pilot project with Brazilian engineering schools for a program that is run in a technology institute. There engineers and technicians are trained on the basis of guidelines that are also oriented toward German standards.

[Holzamer] What typical German management mistakes are there?

[Ross] When the German manager talks with Brazilians, he stresses his reservations too much. He seems excessively critical and prejudiced. He says things too directly for the southern mentality, where South Americans talk in a roundabout way. He may also be too self-confident. Brazilians are natural; you realize this if you know them well and see them smile quietly, if you can make comparisons. There come the Japanese, there come the Americans, and there we come, and everyone stresses the good things that he has. If you are too self-confident in this situation, you can cause amusement. Conversely, this has led to the fact that we have a reputation among Brazilians of being fair partners, of being transparent, of not using tricks. I do believe that German partners are appreciated very much.

[Holzamer] How important do you think is the Febral, the fair of German industry, in Sao Paulo in November?

[Ross] Of course, this is not only a display of German skills. We not only want to invest in Brazil, but also want to sell to Brazil. Therefore, on the one hand, it is a show of our performance and our goods in our mother companies. On the other hand, we want to give medium-sized Brazilian entrepreneurs, who may not have a chance to come to Europe, an opportunity to look for partners.

Defense Over Auto Import Quota Issue Being Prepared

PY1309175595 Sao Paulo GAZETA MERCANTIL in Portuguese 11 Sep 95 p A3

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] As of this week, the administration will carry out a diplomatic offensive before the main partners of Brazil — the United States, the EU, and Germany — to try to convince them that the provisional measure that established quotas on car imports last June was necessary. The administration is making an effort to avoid the humiliation of being condemned by the WTO Balance of Payments Committee, which will judge Brazil on 5 and 6 October in Geneva.

"We will have three important occasions during which we can explain our case," said Brazilian Foreign Minister Luiz Felipe Lampreia, who will accompany President Fernando Henrique Cardoso to Brussels this week to visit the European Commission, after which he will travel to Germany. On 22 September he will meet in Washington with U.S. Secretary of State Warren Christopher and U.S. Trade Representative Mickey Kantor.

"We have a good defense from the point of view of Article 18 B of the WTO charter (which allows measures of exception in the face of threats to the equilibrium of the balance of payments), because when the Provisional Measure was issued in June, our reserves were not large, nor were domestic car sales declining. It then seemed that there would be an avalanche of car imports, which would have increased the trade deficit," Lampreia told this newspaper.

The foreign minister said that several countries have already indicated that they intend to ask for consultations with Brazil, alleging trade losses. Korea and the United States are the main critics. They say that the quotas represent a violation of Brazilian commitments to the WTO (Article 11) and are incompatible with the agreement approved in the Uruguay Round of the GATT talks on investment measures.

"If the partners insist on the legal aspect of the measure, it will be difficult to convince them, but the economic argument we will present is strong. Article 18 was written in 1947, when conditions were different from the present. When they thought then of a balance of payments crisis, they did not take into account the composition and vulnerability that exists at present, with the growing importance that volatile capital represents for the hard currency reserves of countries. Limiting imports is the only variable that the government can currently control," a diplomatic source states.

The IMF report, which will also be presented to the Balance of Payments Committee with information about the Brazilian external accounts, can help or harm the Brazilian defense. The Brazilian government prefers to be positive on this. "The IMF report can demonstrate that on 12 June (before the provisional measure was issued), there was a risk of running into an exchange crisis."

Strategic Affairs Secretary Discusses Duties

PY1409030895 Rio de Janeiro O GLOBO in Portuguese 10 Sep 95 p 6

[Article by Strategic Affairs Secretary Ronaldo Sardenberg: "After All, What Does the SAE Do"?]

[FBIS Translated Text] I have sometimes seen and heard some people making a mistaken association between the Strategic Affairs Secretariat [SAE] and information or intelligence activities. It is necessary to correct this mistake: SAE's powers are known to the public because they had been redefined in the first provisional measure adopted by the administration.

In the past SAE certainly had jurisdiction over collecting information, but since 1 January it has been out of that area for all practical, substantive, or operational purposes. This separation will soon be finalized through a formal division of facilities and positions between SAE and the former intelligence undersecretariat. By the time the division is implemented and the appropriate steps are taken, the Brazilian Intelligence Agency, Abin, will have in fact been created.

Just like the civilian household, the general secretariat, and the communications secretariat, the SAE is an organization subordinated to the presidency of the Republic. In this capacity, it is the SAE's main task to assist the president in strategic tasks, including the formulation of public policies. Furthermore, SAE undertakes analysis and evaluation tasks. It also works in defining development strategies and in formulating a national strategy concept. SAE promotes studies and drafts, coordinates, and control plans, programs, and projects of a strategic nature, as well as those related to ecological-economic macro zoning. As the SAE head, it is incumbent upon me to serve as executive secretary of the National Defense Council, an organization that has been created by the Constitution.

SAE's activities are systematic and all-encompassing and envisage long-term prospects. In keeping with this generic outlook, it addresses daily topics of an intersectorial nature organized in four different interfaces.

On the Brazilian and the rest of the world interface, SAE carries out analyses and evaluations, seeks to identify opportunities for Brazil to have a better standing in the region and in the world, and helps in establishing strategic partnerships both at home and abroad. SAE is alert to risks to national unity and to the country's stability, as well as to possible threats to sovereignty and to territorial integrity. Thus, SAE monitors all of the changes and new trends appearing in the international macrostructure. As appropriate, SAE proposes policies and strategies designed to promote stability and social justice, to guarantee national independence, and to defend the democratic state of law, as well as the Brazilian policy of promoting regional and global peace.

On the second interface — state/society — SAE participates in public debates on major issues both at national and international level. Through its Center for Strategic Studies, SAE promotes seminars and lectures. It contacts universities and research centers, the Congress, state and municipal governments, and civil institutions, associations, and NGO's. SAE coordinates cosponsorships and partnerships. Above all, SAE is interested in hearing opinions through the regular channels of free expression, so that it may better discharge its substantive duties.

SAE also works on the civilian/military interface. To this end, it coordinates actions with the military ministries and with the foreign ministry to lay down the bases for the national defense policy, and to formulate the national strategy concept, as well as to participate in UN-sponsored peacekeeping operations. The Sivam/Sipam [Amazon Region Surveillance System/Amazon Region Protection System] project, which is both civilian and military in nature, is a good example of the type of topic that is directly relevant to the SAE. It also coordinates functions and the control of exports of materials intended for military use, of goods and services that are directly linked to missiles; and it will also do the same regarding chemical, biological, and nuclear products intended for use by civilians and military. On the international front, within this framework, I attended the recent meeting of defense ministers of the Americas held in Williamsburg; and I had the honor of speaking about strategy and national defense at a hearing sponsored by the defense committees of the Argentine Senate and Chamber of Deputies.

Finally, in the most creative of the interfaces; that is, the one dealing with the present and the future at a time of a sharp global transition, SAE is in the process of drafting three types of strategies: one geared toward training, another one toward development, and the third one toward anticipation of events.

The training strategy deals with significant advanced technologies, including nuclear and space technology for exclusively peaceful purposes. In this area, President Fernando Henrique Cardoso recently made an important speech in Sao Jose dos Campos on the occasion of the launching of the first Brazilian jetliner, the EMB-145. In his speech, the president reaffirmed his administration's full support for the development of aerospace technology and spelled out Brazil's firm commitment to using the Satellite Launch Vehicle technology — which we have already mastered — for peaceful purposes.

Through its development strategy, SAE seeks to cooperate with planning organizations, as was the case in the drafting of the PPA (Four-Year Plan). SAE has long concerned itself with development centers. In line with this, it is scheduled to hold a comprehensive seminar in Brasilia on 12 and 13 September. This seminar will be co-sponsored by the transport ministry. Also inserted in this plan are our activities aimed at encouraging the Ecological-Economic Zoning and the territorial organization, the ultimate objective of which is to enable the state to have full control over its territory, under conditions of sustainable development from the ecological and economic standpoints. Furthermore, SAE defends the concept that sustainable development should at least influence financial and social factors. Relevant topics are also that of correcting regional disparities and that of promoting national integration.

Strategies to anticipate future events are aimed at pinpointing of vulnerable spots such as the volatility of the capital inflow — which was recently examined at a SAE symposium — and the preparation of alternative options. Within this context, SAE is following the interaction existing between the globalization and regionalization processes, which are the trademarks of today's world economy. These strategies are also aimed at the gradual formulation of a national development plan, as proposed by President Cardoso, which would clearly state what the country wants in the long term and its strategic participation both in the region and in the world.

This is the sense of the SAE structural reform. In some areas, our work is certainly more advanced than in others. Yet, the SAE goals are quite clear to me; and our priorities, such as the Amazon region issues and the high technology area, stem from our true strategic concerns. There are no mysteries: Strategy is today something that no one can monopolize or wants to monopolize and the Brazilian strategy is not aimed at any enemy, but rather it is designed to pave the way for dealing with the major issues lying ahead of us for building our country's future.

Chile

Insulza Notes Progress in Talks With Mercosur

PY1309221795 Santiago ESTRATEGIA in Spanish 24 Aug 95 p 12

[FBIS Translated Excerpt] The round of negotiations held in Montevideo on 21 and 22 August by Mercosur [Common Market of the South] and Chilean representatives was very positive because it allowed for the much-desired reactivation of the process. Moreover, parallel groups have started working, just as Chile had proposed some time ago.

This information was disclosed yesterday by Foreign Minister Jose Miguel Insulza who said: "The meeting was what we would term very good because we started negotiations on subjects of our interest."

In the negotiations on the exchange of goods — the subject on which the countries hope to reach a full agreement by the end of the year — Insulza said that in addition to exchanging the list of sensitive products and exceptions, "quite good" progress was made regarding the historic heritage [patrimonio historico].

This part of the negotiations consists in correlating the products that currently enjoy a customs tariff reduction, as stipulated by the partial agreements reached by Chile with the Mercosur member countries. In each case the products that enjoy a customs tariff reduction are different, as well as the reduction rate. To avoid third-party sales within the group, a common list of products and customs tariff reductions will be established for the four Mercosur member countries for their trade with Chile.

This is what is known as making the historic heritage multilateral. A preliminary agreement establishes that among the preferences granted by various countries to the same product, the highest will prevail, that is, the one that pays the lowest customs tariff.

The foreign minister added that "quite a lot of progress was also made regarding physical integration and institutional subjects," which are the topics the other two working groups began to examine during the Montevideo meeting. [passage omitted]

Labor Union Supports Mercosur Membership

PY1309232195 Santiago LA TERCERA DE LA HORA in Spanish 13 Sep 95 p 21

[FBIS Translated Text] Economy Minister Alvaro Garcia disclosed yesterday that the Chilean Government will request its incorporation into the Economic and Social Council of the Common Market of the South (Mercosur), which is made up of Argentina, Brazil, Paraguay, and Uruguay. He added that this is an answer to a proposal made by the United Workers Confederation (CUT). CUT leaders said in this way "the organized workers will be represented in that regional agreement."

Minister Garcia met yesterday with CUT President Manuel Bustos Huerta to evaluate the negotiations with the Mercosur, especially after Uruguay accepted the idea that Chile become a partner and not a full member [asociado y no miembro].

"We believe there are more advantages than disadvantages," said Bustos regarding the alleged unemployment problems the Chilean association to the Mercosur would create. Bustos believes it is a positive step if "the organized workers are part of this process" because "it opens up a great opportunity for the industrial sector."

Minister Garcia said there are no major differences between the government and the CUT on how to carry out the negotiations.

National Renewal, Government Reach Accord on Elections

PY1309160495 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 13 Sep 95

[FBIS Translated Text] Last night in Congress the Coalition of Parties for Democracy [CPPD] and National Renewal Party [RN] reached an important agreement regarding the municipal reform.

During the debate of the draft by the Congressional Committee for Government and Interior Affairs, the rightist sector disagreed; ultimately, the RN reached an agreement with the CPPD to establish a direct and joint election system for mayors and councilmen.

According to the approved system, the mayor will be the candidate on the list who receives at least 30 percent of the votes.

The Independent Democratic Union [UDI] refused to endorse this mechanism, and charged that the RN and the government had reached an agreement to use public funds to finance the municipal election campaigns. This draft will be subject to vote by the Chamber of Deputies as of 1700 this afternoon.

Yoma, Lagos Disagree on Amending Armed Forces Law

PY1309212995 Santiago LA EPOCA in Spanish 8 Sep 95 p 14

[FBIS Translated Excerpt] Defense Minister Edmundo Perez Yoma yesterday said that the comments made by [Army Operations Director] Brigadier General Jorge Lagos are "legimitate" and that they will not affect negotiations in Congress. General Lagos said that the Armed Forces Organization Law should not be amended.

Perez Yoma said: "We were completely informed about these comments during our meetings with the Armed Forces commander. I am aware of the Army's opinion on the issue, which differs from ours. What Gen. Lagos said yesterday does not differ from what he has told me."

During the luncheon that the Rotary Club hosted in honor of the Army on 6 September, Gen. Lagos said that the Armed Forces Organization Law "should not be changed by any amendment that distorts the Armed Forces role as established in the Constitution." [passage omitted]

Pinochet Says Reconciliation Entails Forgetting Past

PY1409021595 Madrid EFE in Spanish 2206 GMT 13 Sep 95

[FBIS Translated Excerpt] Santiago, 13 Sep (EFE) — General Augusto Pinochet, former president and current Army commander, said today the time has come to say enough is enough to those who advocate reconciliation but are not willing to forget the past.

Pinochet pointed out that when he said "enough is enough," he was referring to the political and not the military sense of the word. This comment made people laugh during a luncheon commemorating the Army's anniversary.

Pinochet said: "People talk about reconciliation but they attack the Army commander, they accuse him, and they harass him, but when he responds they accuse him of opposing the unity of Chile."

Pinochet went on to say: "One must keep silent and forget. The only thing left is to forget and not open a new process and put people in jail. No, forget is the word."

Pinochet added: "Both sides should forget. We must continue working for Chile, for our republic; we should not look back. Let's not allow this country to become a third-class nation but a second- or first-class one if possible. But to achieve that it is necessary to be intelligent, capable, and to have the ability to forget."

This comment is referring to the amnesty law promulgated by the military regime in 1978. The Armed Forces is asking for its enforcement in relation to the cases of missing persons. But the human rights organizations are demanding justice and the disclosure of the whereabouts of the bodies of 1,100 people who were reported missing from 1973 to 1990.

Pinochet said: "We all have some problems; even I sent an uncle to jail once but the family has already forgotten about it and we are all happy."

This is General Pinochet's third public statement in less than one month during acts honoring the Army. His previous remarks created a controversy. [passage omitted]

Politicians React To Pinochet's Coup Anniversary Remarks

PY1309180395 Santiago Television Nacional de Chile Imagen Internacional in Spanish
1100 GMT 13 Sep 95

[Speakers identified by caption]

[FBIS Translated Text] The recent statements by Army Commander General Augusto Pinochet, who called the sectors who offend the Armed Forces assassins, have stirred a polemic at a political level.

These categorical charges by Gen. Pinochet on the reasons for and effects of the [11 September 1973] coup d'etat had varied repercussions.

[Begin recording] [Pinochet] They were the cause; they were the assassins. You know what human rights are for.

[Alejandro Foxley, Christian Democratic Party chairman] The only true way to respond to those charges, which in my opinion are only designed to provoke the people and shock them by reminding them of the past, is with political accords.

[Juan Antonio Coloma, Independent Democratic Union secretary general] It is a historical assessment. I understand that what he meant is that those who promoted a civil war were assassins. I do not think this was a personal attack, nor an attack on people currently engaged in politics.

[Communist Party Chairman Gladys Marin] Who do you think he is accusing by taking the liberty of calling the victims assassins? Those who are in power today, the members of the Coalition of Parties for Democracy, of course.

[Socialist Party Chairman Camilo Escalona] I think he is intoxicated by arrogance arising from the fact that, not being subject to the president of the Republic, he cannot be removed from his post, according to the 1980 Constitution. [end recording]

In Escalona's opinion, Pinochet can hardly talk about a victory because, according to what he said in 1973, the Army only confronted a large number of defenseless civilians.

Congressional Committees Reject Request To Try Pinochet

PY1309210895 Santiago EL MERCURIO in Spanish
8 Sep 95 pp C1, C4

[FBIS Translated Excerpt] Valparaiso — The Chamber of Deputies congressional committees rejected the request to try Army Commander General Augusto Pinochet made by Deputy Jorge Schaulsohn, president of the Parties for Democracy.

Schaulsohn said the remarks made by Pinochet on 6 September during a dinner given by the Rotary Club at the Union Club in Santiago "was an accusation against members of the Chilean Congress of having participated in terrorist acts and especially of carrying weapons illegally." [passage omitted]

Russian Embassy: Reports on Satellite Theft 'Absurd'

PY1309160295 Santiago Television Nacional de Chile Imagen Internacional in Spanish
1100 GMT 13 Sep 95

[FBIS Translated Text] The Russian Federation Embassy has termed absurd the reports on the alleged theft of the Chilean satellite FASat-Alpha.

In a communique, the embassy disavowed any responsibility in the aborted Chilean satellite mission because Russia fulfilled the commitments undertaken in their entirety, that is, to launch the FASat into orbit.

As proof of this, it mentions that the Chilean satellite as well as the separation system were fully designed and manufactured by a British company. In order to avoid similar problems in the future, the embassy asserts that it is very important for these projects to be planned and implemented jointly by all the involved parties.

The communique goes on to point out that, regardless of the aforementioned, the Russian Federation will make every effort possible to recover the Chilean satellite.

PPD Presents Reform on Referendums

95SM0475C Santiago EL MERCURIO in Spanish
5 Aug 95 p 3C

[FBIS Translated Excerpt] Valparaiso—A draft law that would amend the Constitution so as to attribute additional authority to the president of the Republic has been submitted to the Senate. This amendment would allow the president to convoke a popular consultation on economic or political decisions of special importance to the country, with the agreement of at least one of the congressional chambers.

This proposal was submitted by Senator Sergio Bitar (PPD [Party for Democracy]) in connection with the broad political-legislative discussions that have begun in the country about ways of resolving the problems of human rights, the amnesty law, the individuals arrested who then disappeared, and civilian-military relations.

In addition to this proposal, a number of others have been put forward by various individuals concerning the submission of this matter to a plebiscite. For the time being, this is not possible because the Constitution of our country only provides for submitting an issue to the citizens for their consideration when a conflict arises between the executive branch and the legislative branch in connection with a constitutional amendment. Only in such a case can the president of the Republic convoke a plebiscite in order to obtain the judgment of the citizens.

Senator Bitar proposed this amendment in order to allow the citizens to play a larger role in political decisions, through what he calls a "consultative referendum."

Bitar said that if this amendment passes, it would be possible to consult the people about the path to be followed in the realm of human rights.

The proposal to add a new numbered paragraph to Article 32 of the Constitution would increase the special authority of the president of the Republic to allow him to submit political, economic, social, and cultural decisions of special importance to the country to the citizens for their consideration.

What this consultative referendum is designed to make it possible to submit major national issues that would not necessarily require constitutional amendments so that the people can make their judgment.

On the municipal level, Bitar explained, the Organic Constitutional Law does indeed provide for the possibility of holding communal plebiscites on the initiative of the mayor or the citizens concerning local administrative matters involving specific investments in communal development.

The first communal plebiscite in the country was held on 10 July 1994 in Las Condes. A similar possibility of consulting the people does not exist on the national level, and it is for this reason that Bitar has proposed this innovation in comparative jurisprudence. [passage omitted]

Colombia

Italy Protests Student's Death in Cartagena

PA1409002195 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 12 Sep 95

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] The Italian Government has handed to the Colombian Government a formal protest note in the wake of the murder of an Italian student in Cartagena. Ambassador to Colombia Francesco Capece Galeota delivered the official protest note of the Italian Government to Colombian Deputy Foreign Minister Camilo Reyes.

The note refers to an incident in the capital of Bolivar Department in which Italian student Giacomo Turra died. According to the youth's father — who was in Bogota and Cartagena and met with the official in charge of the investigation, that is, Prosecutor No. 33 of Cartagena surnamed Villamarin de Useche — the youth was arrested and reportedly beaten up the police in Cartagena and died shortly after.

Ambassador Capece Galeota demanded a rigorous investigation by the Colombian Government and made a worrisome warning: Situations such as this, if not solved, could jeopardize vital police cooperation programs between Italy and Colombia.

Our country receives special aid and cooperation from Italian authorities in works to investigate and locate criminals within the process against drug trafficking.

Government Dismisses Brigadier General Velandia

PA1309234995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 12 Sep 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] As the "Seven O'Clock Newscast" had announced on Friday [8 September] and as ordered by the Attorney General's Office, today the government issued Decree 1504 dismissing Brigadier General Alvaro Hernan Velandia Hurtado. According to the Attorney General's Office, Gen. Velandia allowed the disappearance and death of M-19 [19 April Movement] active member Nidia Erika Bautista.

General Dismissed Due to 'Pressure'

PA1409013695 Mexico City NOTIMEX in Spanish 1936 GMT 12 Sep 95

[FBIS Translated Excerpt] Santa Fe de Bogota, 12 Sep (NOTIMEX) — The Colombian government admitted today that a high ranking Army officer was dismissed due to the pressure by human rights organizations and possible adverse consequences on the country's international image.

Defense Minister Juan Carlos Esquerra said that the government "had no other option" than to dismiss Brigadier General Alvaro Velandia, commander of the Army 3d Division headquartered in the southwestern city of Cali.

President Ernesto Samper decided yesterday to expel Commander Velandia, who is accused of having ordered the murder of a guerrilla of the defunct 19 April Movement (M-19). [passage omitted]

Designated Human Rights Ombudsman Hernando Valencia issued the order to dismiss Velandia but had to leave the country hastily 11 days ago due to threats.

The dismissed general defended his actions vigorously by stating that he never met the rebel, and he added that her death was provoked by members of the rebel group to which she belonged.

"I am very frustrated," Velandia told the media, and added that he would, however, accept President Samper's decision with bravery, and he announced new judicial measures to recover his military honor.

The former officer questioned the proceedings to which he was subjected, and he noted that it was "tinged by political interests."

"This is an unpleasant decision because this is the first dismissal of an active general in the history of our Republic," Esquerra said. [passage omitted]

Cesar Gaviria Discusses Political Crisis

95CA9385A Santa Fe de Bogota EL TIEMPO in Spanish 7 Sep 95 pp 1, 8A

[Interview with OAS Secretary General and former Colombian President Cesar Gaviria, in Washington, D.C.; date not given: "The Process Can Only Lead to the Truth"]

[FBIS Translated Text] *Former president breaks his silence. In an exclusive interview given to EL TIEMPO, Gaviria asks that there be no self-deception as to the seriousness of the accusations being brought against President Samper's campaign.*

In the first statements he has issued on the investigation regarding the part allegedly played by drug money in the recent presidential campaign, former President Cesar Gaviria Trujillo asserted that "Samper has asked for the truth, the country demands it, and the international community awaits it."

In an exclusive interview given to EL TIEMPO, in Washington, Gaviria maintained that "I know that President Samper is most desirous of and genuinely interested in getting to the bottom of things regardless of the consequences."

The former chief executive added that: "What really generates instability is a situation of suspense in which weeks and months go by with no clarification of the facts at issue."

Following is the complete text of the interview with Cesar Gaviria, the former Colombian president and current secretary of the OAS [Organization of American States].

[EL TIEMPO] Since leaving the presidency you have maintained silence, while political events of undeniable seriousness have been taking place in the country. To what do you attribute this distancing of youself from these events?

[Gaviria] It is unquestionably desirable that an incoming Administration, particularly if it is of the same party as the outgoing Administration, be able to rely on the solidarity of its predecessor.

I believe that the best expression of that solidarity and of due political courtesy is a salutary temporary absence from public debate. In addition, I have assumed the responsibilities of secretary general of the OAS.

The reform of the Organization has absorbed a great deal of my time. This does not mean that I am not following, in detail, the evolution of national events. Not for a single moment has Colombia not been among my foremost thoughts.

[EL TIEMPO] A continuum of increasingly convincing reports has surfaced this year, indicating the presence of large sums of drug money in Colombian politics. What impact is this phenomenon having on Colombian democracy?

[Gaviria] For a decade, we Colombians have been waging a frontal battle to free the country of the violence and corruption that are generated by the drug traffic. The Medellin cartel has been eliminated and the Cali cartel is behind bars. Colombians can take pride in having triumphed over a powerful enemy.

But this is not enough. Those persons are mistaken who believe that what was important was simply to put an end to car bombs or put the big drug lords behind bars. There can be no doubt that these objectives were fundamental, but the real final victory will not be achieved until the day when drug money has been completely eradicated from politics, from society, and from the economy, and the international community has assumed its responsibility in the fight against the drug traffic.

Hence the importance of supporting the work of the Prosecutor General's Office and of the courts of law, in their dedicated search for the truth as to the alleged infiltration of drug money into the funding of the 1994 campaign.

[EL TIEMPO] The problems appear to be concentrated in President Samper's campaign, whose highest levels, including the candidate himself, appear to have been implicated. What is going to happen? What should happen?

[Gaviria] There must be no self-deception as to the seriousness of the accusations that are being leveled today against President Samper's campaign. This is not merely a matter of some minor-echelon officials trying to sneak a few checks into the kitty via the back door. What is at issue here is whether or not there was a deliberate intent to obtain funding for the campaign by means of the resources available to the lords of Colombia's biggest criminal organization. The first to understand the seriousness of the accusations is President Samper. There is no doubt that the president of the Republic is the first and foremost to be interested in and the first and foremost to stand to benefit from a complete dispelling of the pall of doubt.

He is the one who has called most insistently for true justice. His supportive attitude toward the ongoing investigation and his encouragement of it are admirable. Samper has asked for the truth, the country demands it, and the international community awaits it.

I know that President Samper is most desirous of and genuinely interested in getting to the bottom of things, regardless of the consequences, because he understands that what is at stake is the credibility of his mandate, the legitimacy of the institution, and to a great extent the well-being of all his compatriots.

[EL TIEMPO] Many persons are fearful of the potential institutional or political consequences of this investigation. It has already cost the defense minister his head, and the talk in the corridors is of the president's possible resignation. The fear is that this situation could lead to the destabilization of the country.

[Gaviria] My impression is altogether the contrary. What really generates instability is a situation of suspense in which weeks and months go by without a clarification of the facts at issue. It fosters run-away speculation, provides fodder for scandal, invites the finding of motive and reason to continue goading the president, promotes the growth of uncertainty, and denies the Administration the recourse to its credibility that is indispensable to the governing of a country as complex as Colombia.

[EL TIEMPO] Since we do not know where this process will lead us, do you not fear the possibility of an institutional crisis? Do you not feel that we would be taking a leap in the dark by pursuing it?

[Gaviria] The process can only lead us to the truth. And the truth sometimes has disagreeable consequences; but in all cases, knowing the truth is always salutary. In fact, it is indispensable. We are dealing with a problem that is more than simply a matter of morality or principles. The country has to lay this matter to rest, the sooner the better, and restore credibility to the Administration.

The fact is that what we are experiencing is encouraging from the viewpoint of institutional strength. Our judicial system has taken on, as never before, its mission of enforcing the law. The prosecutor general and the Office of the Prosecutor General of the Nation are recovering the people's confidence in our judicial system. The media have demonstrated their independence and maturity. The Congress has set out on the investigative task assigned to it by the Constitution.

I have no doubt that Colombia has sufficiently solid institutions capable of resolving the current political crisis.

[EL TIEMPO] You mention the political crisis, and the fact is that many believe that what we are experiencing stems from a convergence of political forces adverse to President Samper. Many are thought to be fishing in muddy waters...

[Gaviria] There is no doubt that the country is confused, almost perplexed, by the magnitude of the issues and by the nature of the media's revelations. And there can be no doubt that the political ramifications of this process is exacerbating the people's confusion. Every time the president is questioned, those seeking to advance different political interests move to oppose to him. But this is inevitable, indeed salutary, in a democracy.

What is not salutary is the use of the political process to divert the course of the judicial process or to contaminate it. The political and judicial processes follow parallel courses, but they must not cross. Judicial action must not be politicized; nor must the existence of a debate of political nature be used as an argument against judicial action.

[EL TIEMPO] From your standpoint as secretary general of the OAS, how do you view the country's international situation? What impact has this process had on Colombia's position in the world? In the Americas?

[Gaviria] The OAS has not considered the issue of Colombia. That issue is seen as an internal matter that the Colombian institutions must manage and resolve. And that is as it should be. Those issues, in principle, must be resolved politically and juridically in Colombia without interference from any country or international organization.

This does not mean that what has occurred has not had a serious impact abroad. The drug traffic being an international crime, it stirs the interest of the world community. The struggle against corruption is on the agenda of all presidential summit meetings. And there is no doubt that Colombia now enjoys a preeminence in the international concert that makes it impossible for national events to go unnoticed.

Unfortunately, the events known to public opinion have in some cases given rise to concerns regarding the integrity of the political process in Colombia.

Those concerns are manifesting themselves in an unjustified loss of confidence in Colombia. A country that has achieved what no other country has achieved in the struggle against the drug traffic, that has the moral authority to demand respect, cooperation, and results from the other nations, is being unjustly penalized for the state of alert in which we find ourselves.

This is one more reason for us Colombians to devote our energies to put this bitter moment behind us by demonstrating the strength of Colombia's democratic institutions and clearing up all the questions that are being put forward to brand the Administration.

[EL TIEMPO] You are being accused of being part of a conspiracy against the president, in which, with the aid of your collaborators of old, you would drive Samper to resign, and return Gaviria-ism to power.

[Gaviria] From the first day the accusations against the campaign were published, I have consistently, in Colombia and abroad, expressed my desire to see President Samper emerge with flying colors from the questions he is being compelled to confront today. For the good of the country and because of my friendship with the president, I would be overjoyed to see this all speedily resolved and put behind us.

I am no part of any conspiracy whatever. Perhaps what is occurring is that the extent to which there exists a growing concern and a prevalent uncertainty as to what actually happened has led different opinion leaders, for political reasons, reasons of conscience, or personal reasons, to issue statements or to distance themselves from the Administration.

This demonstrates that what is conspiring against the credibility of the Administration is a chain of circumstances that have not been sufficiently clarified. The best way to put that conspiracy of events to rest is to get to the truth, enforce the law, and put this bitter chapter behind us. I return to my initial point. We must recover credibility by getting to the truth. It is my understanding that this is what President Samper wants, and that is why he has my full support.

Ecuador

Defense Minister Denies Border Clash With Peru

PY1309181495 Quito Voz de los Andes in Spanish 1718 GMT 13 Sep 95

[Report by (Loira Carriel)]

[FBIS Translated Text] Defense Minister Alfonso Alarcon has categorically denied that there have been any clashes on the Ecuadoran-Peruvian border, particularly at the Hugo Ortiz outpost, within the last few hours or days. Alarcon denied media reports stating that clashes have been reported on the border in the last few hours and that several people were injured and killed in these clashes.

[Begin recording] [Alarcon] The Defense Ministry is the government organization in charge of issuing official reports on these matters. According to the latest report I received at 2200 last night from the office of the Chief of the Joint Staff and the commander of the land forces, everything is calm. Moreover, confidence among the two parties on the border is continuing to increase in compliance with what is established in the Itamaraty agreement.

[Unidentified reporter] With all due respect, General, does this mean that you are not hiding anything from Ecuadoreans about reports issued by media sources?

[Alarcon] Look, gentlemen, I am always very honest with you. The defense minister, General Alarcon, cannot lie to you or to the Ecuadoran people. [end recording]

Defense Minister Alarcon denied that Ecuadoran and Peruvian patrols have engaged in clashes in the last few hours on the Ecuadoran-Peruvian border, particularly at the Hugo Ortiz outpost.

Alarcon went to Congress this morning to testify before the congressional commission in charge of conducting the impeachment process,against Vice President Alberto Dahik. During the hearing, Alarcon said that discretionary funds were not used during the undeclared war with Peru.

Army Chief Denies Possibility of Coup

PY1409032395 Madrid EFE in Spanish 0203 GMT 14 Sep 95

[FBIS Translated Text] Quito, 13 Sep (EFE) — Ecuadoran Army Commander General Paco Moncayo called today for the "positive" participation of the people in face of accusations of corruption shaking the country. He also discarded the possibility of a coup because "the medicine can become worse than the illness."

"It is necessary to have the political participation of the population, the community, and the institutions, otherwise there will be no democracy," said General Moncayo during the evening newscast of the Ecuavisa Television station.

Asked about the possibility that his comments may be interpreted as an eventual call for popular disobedience, Moncayo said: "I am talking about positive actions, that people should consider public matters their own, that people cannot be indifferent, disappointed, or turn their back to reality."

General Moncayo pointed out that the Ecuadoran Armed Forces "are democratic by conviction" and that in the social front, for example, "we are working in the poor neighborhoods." He also noted that "the state super political-juridical structure does not meet the requirements of the infrastructure of real society."

Regarding the charges of corruption involving the three branches of the government which in the last few days led several officials to appear before criminal courts and congressional committees, including Vice President Alberto Dahik, Moncayo preferred not to talk about concrete cases.

In addition to a congressional trial for bribery, Dahik is facing charges of embezzlement in the Supreme Court for the illegal use of public funds of the Vice Presidency.

General Moncayo added: "When corrupt individuals are not punished, people lose faith in the public administration, institutions break up, and sometimes the reactions to that situation can be violent."

Defense Minister General Alfonso Alarcon said today before congressmen that he has no information that "the reserved funds of the Vice Presidency were linked to or were used for the security of the country against foreign threats."

Asked about his absence during Dahik's testimony on 12 September before the Supreme Court, in contrast with other cabinet members, General Alarcon said: "The defense minister will go any place the constitutional president of the republic believes he should be because he is the commander in chief of the Armed Forces and I report to him."

Congress President Sees 'Quick' Impeachment of Dahik

PY1409022995 Quito Voz de los Andes in Spanish 2300 GMT 13 Sep 95

[FBIS Translated Text] The Ecuadoran Congress called the testimony of Vice President Alberto Dahik before the Supreme Court little convincing. The Congress also rejected the possibility of a delay in the impeachment of the vice president.

Congress President Fabian Alarcon said he will not allow a delay in the impeachment, which could lead to Dahik's ousting. He said the impeachment process of Vice President Dahik will be quick. He added: I believe his impeachment must be carried out as soon as possible for the peace of the nation.

Galapagos: Mobilization Continues Despite Quito Offer

PY1309192895 Madrid EFE in Spanish 2030 GMT 9 Sep 95

[FBIS Translated Excerpt] Quito, 9 Sep (EFE) — Despite the government's offer to hold negotiations, the inhabitants of the Galapagos Islands have decided to continue with their mobilization which started one week ago and that includes the interruption of communications services and the takeover of public buildings.

Jose Andrade, president of the Santa Cruz Island city hall, has confirmed to EFE that "the mobilization continues." The inhabitants of the Galapagos Islands are demanding the implementation of a law granting the islands more autonomy. According to Andrade, they will uphold the measures of force until the Quito administration accepts all their petitions.

The strikers, who have threatened to take hostages among the tourists and to halt all activities on the archipelago, have overtaken the two airports on the islands and numerous public buildings.

They have also blocked the main communications lines and access to the Galapagos National Park and the installations of the Charles Darwin ecological organization, which is the center of research operations and constitutes the main tourist attraction.

In response to the islanders' demand, the government on 8 September agreed to withdraw from Congress the draft bill on the future administration of the islands. It also announced that it will establish a joint commission comprising members of the executive and legislative branches and representatives of the Galapagos Islands groups to prepare a consensus draft bill.

According to what Milton Aguas, the president of the San Cristobal Island city hall, has told EFE the islanders have accepted the proposal to establish a joint commission, but they have reasserted their decision to continue the mobilizations until the government accepts their demands to urgently reform the islands' government organizations, finance public works, and pay overdue salaries to officials.

One of the participants told EFE that "people have decided to continue the strike until the government responds." She added: "We sleep at the airport, and our spirits are quite high."

Aguas said that for the time being, there have been no clashes with the Police or the Army, which have been placed in a state of alert in the area. He added: "We hope they continue to be in a state of alert because one never knows how people may react." [passage omitted]

Paraguay

Wasmosy Meets Spanish Popular Party Leader Aznar

PY1309032595 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2350 GMT 12 Sep 95

[FBIS Translated Text] President Juan Carlos Wasmosy and Jose Maria Aznar, the president of the Popular Party of Spain, held a two-hour meeting today at the presidential residence. They had lunch and talked about the current status of bilateral relations between the two countries.

Aznar expressed his support for the democratic process in Paraguay. The Spanish presidential candidate also discussed with Wasmosy the upcoming visit of Spanish investors to our country.

Shortly after his arrival at Silvio Pettirossi International Airport, Jose Maria Aznar held a news conference.

[Begin Aznar recording] I have committed myself to talking to the Spanish entrepreneurial organizations for them to come to Paraguay to review all the opportunities for investment. There are already some Spanish entrepreneurial organizations and, of course, more will come. I have committed myself to doing this and I will be very pleased to fulfill it.

I also hope to encourage the curiosity, opportunities, and goals of Spanish investors and entrepreneurs in Paraguay.

In connection with Mercosur [Common Market of the South], I also believe it opens up new opportunities for everyone and this is very interesting.

I have clearly expressed our support for the Paraguayan democratic transition. We will not support anything but the Paraguayan democratic transition. This is very clear.

There will be general elections in Spain within a few months. I hope these general elections resolve the political situation. In other words, I hope to win the general elections in Spain. [end recording]

These were the remarks of Jose Maria Aznar, the leader of Spain's opposition party, who, according to the trends and polls of that country, has a great chance of winning the presidential elections scheduled for March 1996.

Government-Peasant Agreement on Land Access

PY1309151795 Asuncion ABC COLOR in Spanish 13 Sep 95 p 2

[Report by Alfredo Molinas Portillo, Ruben Dario Castillo, Nestor Soto, and Roberto Torres]

[FBIS Translated Excerpt] San Pedro de Ycuamandyyu — On 12 September, the Agrarian Reform Institute's (IBR) promise to purchase 7,974 hectares of land that belong to Jorge Lazao Morga, which have for the time being been priced at 400,000 guaranies per hectare, led to an agreement between the government and the peasants of Santa Barbara colony. It is now presumed that the difficult situation being experienced by San Pedro Department will be overcome. The agreement was achieved during a meeting held at the seat of the departmental government. Participants included engineer Hugo Halley Merlo, IBR president; Erico Ibanez Ramirez, governor of San Pedro Department; Monsignor Fernando Lugo, bishop of the San Pedro Apostolic Diocese; representatives of the 16 peasant grassroots organizations that make up the Morga Neighborhood Commission; and members of the "Tapera" [not further identified], Coordinator of Peasant Grass-Roots Organizations.

The negotiations were held behind closed doors and lasted for approximately one hour. The parties reached agreement based on the proposals submitted by the Neighborhood Commission of the Landless and by national authorities. Among the most important points of the agreement is the IBR's commitment to purchase the property belonging to Morga based on the owner's proposal, which was 400,000 guaranies per hectare. However, there is still nothing firmly binding with regard to the price of the land.

Another point of the agreement refers to the fact that all of the members of the Neighborhood Commission promise to leave the property for a period of three weeks in order to allow for planning, surveying, and dividing up of the land to be carried out. The Neighborhood Commission promises to collectively cooperate in these tasks so that the project can be implemented.

The third point of the agreement indicates that the government of San Pedro Department, the IBR, and other competent authorities will try to offer sustenance to the peasants while they are outside Morga's property.

The main leaders who participated in the meeting did not hide their happiness at the end of the talks with national authorities. An agreement had been reached after several days of strife, tension, nervousness, and concern. The peasants celebrated the agreement, which they considered a victory in the struggle to obtain land, with songs, ditties, and hurrahs. [passage omitted]

Anti-Abortion Rally Held Outside Congress

PY1209033295 Asuncion ABC COLOR in Spanish 9 Sep 95 p 8

[FBIS Translated Excerpt] A manifesto delivered by the Right to Life Commission to a group of congressmen, with the signatures of 74,000 people who are pro-life, points out: "Abortion is a crime that must not be decriminalized in the new Penal Code currently being reviewed." The manifesto notes that one evil cannot solve another. It says: "We hope the congressmen will not let our people down with laws that may be seriously detrimental to our nation's identity, as our people treasure life."

The rally for the reaffirmation of the right to life mobilized more than 15,000 people from various religious denominations. Even the Virgin of Caacupe was carried from her basilica in a procession.

Some of the banners carried by the Christians read: "Abortionist Congressmen?" "Murderous Congress?" "No to Abortion," "Paraguay: Your Life is in Danger!" "Say No to Abortion," "Mama, Don't Kill Me!"

The manifesto was delivered to the presidents of the Senate and the Chamber of Deputies. The manifesto wants life to always be respected and clearly protected in the new Penal Code. Therefore, the manifesto wants deliberate abortion to be rejected, considering it a crime, and not decriminalized.

The manifesto also emphasizes, based on the most advanced science, that human life begins at the time of conception. [passage omitted]

Peru

Titicaca Development With EU, Bolivia Planned

95SM0491J Lima ANDINA in Spanish 25 Aug 95

[Received via Internet]

[FBIS Translated Text] Peru and Bolivia will jointly develop a hydrological basin around Lake Titicaca. They propose to ensure the rational management of its economic use, and to preserve its ecosystem and biodiversity. This will be done through a contribution of more than $16 million from the European Union (EU). In this connection, the European Union today submitted to the governments of Peru and Bolivia the Binational Global Guidance Plan for Flood Protection-Prevention and Utilization of the Resources of Lake Titicaca, the Desaguadero River, Lake Poopo, and Lake Salar de Coipasa.

The plan in question represents one of the most complete studies in the realm of hydrographic basin management. It covers a number of disciplines, including hydrology, climatology, hydraulics, geomorphology, soil studies, geology, socioeconomic aspects, ecology, etc.

The plan was developed with the financial and technical support of the EU over the course of the last five years by an international advisory consortium including Spaniards, Frenchmen, and Italians, with the participation of Peruvian and Bolivian experts.

All of this work has been compiled in 48 volumes that include analysis, studies, and proposals.

The ceremony to present the plan was held in the premises of the Peruvian foreign ministry, with the head of the EC [European Community] delegation to Peru and Bolivia, Ambassador Sabato Della Monica, presiding.

Present at the ceremony were Bolivian Minister of Sustainable Development and Environment Luis Lema; the Deputy Prime Minister of that country, Jaime Aparicio; and the president of the Committee for the Transfer of Authority Over Lake Titicaca, Julio Sanjinez Goytia.

Present to represent Peru were Vice Minister of International Policy Jorge Voto Bernales; Minister of the Presidency Manuel Vara; and the heads of the National Development Institute (INADE), Alberto Yamamoto, and the National Institute of Natural Resources (INRENA), Miguel Ventura.

Vice Minister Voto Bernales said that this substantial contribution represents progress toward the integration of Peru and Bolivia and constitutes a very important contribution to the rational use and management of a hydrographic basin on the continent.

Meeting Held With Bolivia on Technical Center

95SM0491L Lima ANDINA in Spanish 26 Aug 95

[Received Via Internet]

[FBIS Translated Text] Puno—Peruvian and Bolivian educational authorities held a preliminary meeting in this city to study the proposed construction of a modern institution of higher technical studies in the district of Desaguadero.

This was announced yesterday by the education director for the Jose Carlos Mariategui region, Elias Peralta Hinojosa, who said that the construction of the educational center is a part of the Andres Bello agreement signed some years ago between Peru and Bolivia for the purpose of supporting Latin American integration in the educational field.

The Bolivian mission was headed by National Education Secretary Juan Martinez. Together with his committee and the Peruvian representatives, he visited the city of Desaguadero and inspected the site where the future educational complex is to be built.

The regional director of education said that some suggestions have been made concerning the continued development of future bilateral educational projects between Peru and Bolivia, since various aspects of the culture are common to both nations.

3,000 New Schools Planned by 2000

95SM0495A Lima ANDINA in Spanish 28 Aug 95

[Received via Internet]

[FBIS Translated Text] Within the context of the social program that has been initiated, the government plans to build and modernize 3,000 local schools in the next five years. This will benefit a student population of 2.5 million.

The social infrastructure will play an extremely important role in the achievement of the central goals established for the five-year period between 1995 and 2000 because of its impact on the population in the most depressed regions of the country, a spokesman for the executive branch emphasized.

He announced that modules of educational and alphabetization equipment, together with two million notebooks, will be distributed.

Also, three million daily meals will be provided for the poorest students every year, and 260 new popular dining rooms will be built.

Regarding housing, he said that access to funds enabling the population with the most limited resources to own their own homes will continue to be facilitated.

To achieve this, he added, buildings that can accommodate numerous families will be built, and loans will continue to be granted through the program of supervised credit so that individual citizens can build their own homes, as well as for construction materials for the completion of housing projects.

On the other hand, the spokesman announced that within the context of the relocation program, 100 communal centers will be built in the zones characterized by extreme poverty. The social support program will also include an increase in the area in the rural sector and the neglected urban sectors that is supplied with potable water from 64 percent in 1985 to 80 percent by the year 2000.

The area covered by sewage service will also be increased from 65 percent in 1995 to 75 percent in the year 2000.

Also, the execution of small electrification projects in response to the requests from the neediest population will continue.

Petroleum Output Estimates Reported

95SM0495B Lima ANDINA in Spanish 28 Aug 95

[Received via Internet]

[FBIS Translated Text] The former president of the Energy and Infrastructure Commission of the CCD [Democratic Constituent Congress], now Congressman Demetrio Patsias, expressed the view today that the great challenge in the Peruvian oil sector is to achieve a daily production of 200,000 barrels. This would allow us to meet our own needs and to have a surplus of this hydrocarbon for export.

Patsias said he believes this goal can be achieved in the next five years. This would mean an increase from the present production of 125,000 barrels a day to 200,000 barrels, meaning an annual investment of $150 million for the purpose of prospecting for oil. This would reverse our situation as an importer, which has drained away $250 million annually.

The spokesman remarked that the new Hydrocarbons Law opens up a broad field for investment in Peru, and he expressed the certainty that Peru will again become an exporter of oil.

He said that investments in the mining sector totaling $6 billion are expected in the next five years, and the next major step in the realm of privatization should involve the sale of the Petro-Peru [State Petroleum Agency] and Centromin [Central Peru Mining Enterprise].

Patsias set forth these views in the course of a gathering held at the ESAN [School of Business Administration] with other congressmen who are graduates of the master's program in administration at this higher school of business management. These individuals included Francisco Pardo Mesones (UPP [Union for Peru]), Carlos Reategui, Carlos Blanco Oropeza, and Juan Francisco Cardoso Romero (New Majority-Change-90).

Pardo Mesones said, for his part, that his main project in the Congress in the next five years will be the defense of private enterprise and the achievement of consensus on positions favoring national development.

Meanwhile, Reategui Trigoso stressed the need for Peru to strengthen its structural reforms and to continue the process of modernizing the country, in order to face the new century as a competitive country.

On the other hand, Blanco Oropeza expressed his certainty that competition is currently the true slogan of the country, and he emphasized the importance of generating a climate characterized by a labor ethic and increasing participation in the achievement of the country's business goals.

Juan Francisco Cardoso maintained that support to ensure the proper norms for the nature of education on both the university and sports levels is basic to the development of the new Peruvian citizen.

Voluntary Sterilization Law Approved

95SM0495E (Internet) Peru DESCO Gopher in Spanish 1 Sep 95

[From Resumen Semanal 22-29 August]

[FBIS Translated Text] On 24 August the Health Commission of the Congress approved, by a majority vote, a proposal by the executive branch legalizing sterilization as a method of family planning. Commission president Martha Hildebrandt explained that the vasectomy and tubal ligation processes are now recognized as legal. The proposal was approved but no opinion was issued. Congressman Arturo Salazar Larrain (Renewal) withdrew in protest because he regards the proposal as unconstitutional. Faced with the objections raised by the representatives of the opposition because the executive proposal was not accompanied by a report, the head of the Commission announced that another meeting will be held to draft this document so that it can be placed on the agenda of a congressional plenary session. The proposal in question amends Article Six of the introductory section of the National Population Policy. Up to the present, this regulation has excluded abortion and sterilization as family planning methods. (Most dailies 25 Aug 95)

Following the approval of the draft law incorporating tubal ligations and vasectomies as methods of family planning in the population legislation, Minister of Health Eduardo Yong Motta gave assurance that these treatments produce no physical or psychological changes. Despite this fact, the Church opposes the measure. Yong Motta commented that the use of these methods will not be imposed by force, since they are choices and decisions that are to be made by couples or individuals. He stressed that for the greater safety of those who choose them, these artificial methods will only be allowed if they are approved following the respective medical examinations, (EL MUNDO 26 Aug 95)

Commentary on Government 5-Year Program

95SM0495F (Internet) Peru DESCO Gopher in Spanish 1 Sep 95

[From Resumen Semanal 22-29 August]

[FBIS Translated Text]

'The Time Is Now'

EXPRESO (24 Aug 95) expressed the following opinion. "The speech delivered by Dante Cordova, the president of the Council of Ministers, demonstrated that as the government begins its second term, its approach is one of change and reform that should be stressed and encouraged. On the other hand, he admitted that the executive branch does not yet have modern organizational structures. He also announced that further emphasis will be placed on the budget as a potent weapon in administering the public sector, and that the government will be in a position to compete with the private sector in hiring the most qualified professionals. The time is now. Would that this might mean the abandonment of the oppressive norms now governing the administrative systems and the establishment of criteria that demand quality and results in order to obtain budget allocations. In speaking about the educational sector, Prime Minister Cordova stressed the idea of strengthening the ability to manage results and efficiency. However, he did not go so far as to state that budget allocations for the schools will be based on these results. He spoke of allowing directors to recommend the hiring of teachers, but not to dismiss or to hire them on their own, which is a basic condition for improving quality. However, the prime minister urged a salary policy that will reward initiative and creativity. In the health sector, the concepts discussed were less clear, although the prime minister mentioned the need to decentralize administrative procedures and to promote competition among those who provide services, thus strengthening the freedom of the users of the services to make decisions. In terms of the judicial branch, the fact that the prime minister announced that the executive branch will support the proposed modernization on which the judicial branch has been working represents a positive step. Without a doubt, this decision will be reflected in the budget for the coming year."

'The Opposition—Both Modern and Reactionary'

Manuel D'Ornellas expressed the following view. "The presentation made by the Council of Ministers to the

Congress made a number of points clear. 1. There are no changes in the political line, although there may be changes in the points emphasized by and the personal style of some ministers. The second government of President Fujimori has begun by following the path of continuity, which may prove to be the same as having a commitment to the status quo. 2. The parliamentary bench of the government majority, on the other hand, does indeed have a different face. New blood. 3. The opposition has divided into two sectors. On the one hand, there is the 'postmodern' sector, to give it some kind of a name, in which the members are Fernando Olivera and the members of Renewal. In the future, they will encounter the 'old foxes'—the well-known individuals who refuse to admit the wisdom of any government action. 4. This demarcation between the modern opposition and the reactionary faction involves no party boundaries. For example, the two groups coexist in the UPP [Union for Peru]. (EXPRESO 24 Aug 95)

'Excessive Generalization'

GESTION (24 Aug 95) published the following. "Dante Cordova Blanco, the president of the Council of Ministers, has set forth the main objectives of the government for the next five years. However, his statement suffered from excessive generalization on certain subjects, above all when he attempted to specify how certain objectives in economic policy are to be achieved. It is extremely praiseworthy that the government has deemed "the struggle against poverty to be the axis of governmental action." The goal already set forth by the president of the Republic, calling for a reduction of 50 percent in the levels of extreme poverty by the year 2000, is laudable and merits full support. However, the results of the general nature of the statement is that the economic agents will have to navigate, in some respects, in a state of uncertainty. As the prime minister himself said, the last term of five years in office enabled the country to achieve 'the political and economic stability necessary to confront the major challenges of the modern world from a different perspective.' What he did not specify was what adjustments will have to be made to ensure precise progress from stability to development."

'No One Knows How This Will Be Done'

Mirko Lauer wrote as follows. "The prime minister's promise to reduce poverty by half by the year 2000 is more nearly a campaign slogan than a government program. Dante Cordova is confident that inflation of five percent and growth of six percent, plus improved tax collection, will in themselves produce the miracle. But he does not explain what the government plans to do to ensure that the fruits of its economic management will cease to be concentrated among those in the upper classes, as has been the case for the last five years, beginning instead to trickle down to those in the lower classes, as the neoliberals have been promising since the 1980's. Let us not forget that the poorest people have become even poorer precisely as a result of an economic program that raised domestic prices above the international levels in 1990. If the program proved incapable of improving the situation of the poor when our growth rate was 12 percent per year, it is hard to understand how this can be done now that the announced growth will be only half that rate. Perhaps the idea is to reduce poverty without increasing the income of the poor—by multiplying the number of infrastructure projects, for example. Thus social expenditures would mean more roads, more schools, more bridges (more transactions in the foreign credit sphere and in construction), and more contact with reporters and their microphones. But in no case would it mean more soles in the neglected pockets of the lower classes. (LA REPUBLICA 24 Aug 95)

'Is There No Opposition in the Congress Now?'

Mirko Lauer wrote the following. "Following the vote on Thursday, 24 August in the Congress, when only three out of 120 parliamentarians voted against the proposals of the prime minister (24 abstained), it can be said that there is no longer any real opposition in Peru. What we do have is some opponents, some of whom are in the Congress, of course. But an opposition movement determined to challenge the public policies of the government—that has vanished. With this disappearance of an opposition movement, one begins to wonder whether what remains in the Plaza de la Inquisicion is, properly speaking, a congress of the representative sort. There are various reasons for this new situation. One of them is that many of those who challenged the NM-C90 [New Majority-Change 90] in 1995 did so because of what proved to be formal differences, but there was basic agreement at the base. The formal aspect was the desire to put an end to authoritarianism and to reestablish full democracy, demands that seemed to be met by their very presence in the Congress. The other exasperating factor for the opposition is the fact that the confrontation with the central logic of the Fujimori movement has produced no political results. But the Fujimori movement as reported in the polls is not the only reality in the country. The invasion of Tuman and Pomalca this week confirm the fact that the government is maintaining an active and efficient police policy to prevent any social mobilization for the purpose of protest from truly getting started. When the people abandon their current romance with the Fujimori government, they will encounter a Fujimori fully prepared to deal with this stage of his government." (LA REPUBLICA 27 Aug 95)

Uruguay

Spanish Popular Party Leader on Domestic, Foreign Issues

PY1209214395 Madrid EFE in Spanish 2234 GMT 8 Sep 95

[FBIS Translated Text] Montevideo, 8 Sep (EFE) — Spain's Popular Party (PP) Leader Jose Maria Aznar stated today that he would never stay in office as head of government for more than eight years in a row. He "flatly" ruled out any type of political dialogue with the terrorist organization ETA [Basque Fatherland and Liberty], even if the latter were to renounce violence.

In an interview broadcast today by Channel 10 of Montevideo — to which EFE news agency had access — Aznar discussed Spain's current political scene, his plans when he succeeds Felipe Gonzalez as head of government — if Spaniards so decide at the polls — and international political matters, like the war raging in former Yugoslavia.

Aznar — who is making a tour of several countries of the Latin American southern cone — met and had lunch with Uruguayan President Julio Maria Sanguinetti at the Anchorena ranch situated 180 km from Montevideo during the brief visit the PP leader made to Uruguay.

Aznar, who was the target of an ETA attack on 19 April, from which he emerged unscathed, maintained a categorical position about ETA's terrorist practices and about the need to call early elections in Spain "to clear the political horizon."

In reply to a question whether he would negotiate — supposing he were head of government — political matters like the holding of a plebiscite to settle the issue of the Basque country independence if ETA renounced violence, Aznar said: "Not by any means, I utterly reject that."

The PP leader termed ETA a "murderous, criminal, and terrorist" organization on which one cannot have "a wishy-washy position." He asserted that the only thing that he would consider discussing is the "personal circumstances" of those implicated in terrorist acts once violence ceases.

In the course of the interview, Aznar reiterated his conviction that he will carry off the next general elections — which in his opinion, should have been held a long time ago and which he hoped they will be called "as soon as possible." Asked what his attitude will be if, in spite of all his efforts, his forecast does not come to pass, Aznar answered that Spaniards have already seen him suffer defeat.

The PP leader said he was in favor of limiting the head of government's term of office to eight uninterrupted years because otherwise, "vices and abuses crop up and projects become exhausted." He demanded that Gonzalez — who has been in office for nearly 13 years — resign.

"The political situation has reached an absolute dead end and the public is clamoring for a change," he asserted.

Having taken stock of all the years Gonzalez led the Spanish Government, Aznar underlined that those years have been "negative" and "very negative" since 1988 adding that socialism is a "mistake." The PP leader said he did not have political models and labeled himself as an advocate of Liberalism in the European sense of the word. He was of the opinion that "the future is always better than the past."

He dismissed the contention that his reiterated demands for Gonzalez's resignation may create instability, arguing that what he was proposing was a solution to the issues that really generate tension like corruption and judiciary problems facing the government and Gonzalez himself on account of the so-called "GAL case."

According to Aznar, one has to differentiate between "the highest political responsibility that falls on Gonzalez" for the "dirty war" waged against ETA in the early years of the 1980's and the judicial responsibility on which only the courts can rule.

Aznar underscored that corruption "is not an ingrained vice in Spanish society but rather the consequence of a style of government" puffed up with pride which thinks that "power and majority rule justify everything" and allow the government to act without any limits or control.

The PP leader further stated that although "there is no single panacea" for the problem of unemployment, the key to overcome it lies in having a socially-oriented, competitive, and sound economy and in fostering the establishment of new companies because "without companies there can be no new jobs."

Another priority on the economic front if he is voted in will be to curb government spending through the implementation of an austere policy, budget cut-backs, and the overhaul of the public administration "to do more with less money." Aznar noted that "there is nothing more unfair to taxpayers than using money wastefully."

Commenting on the conflict in former Yugoslavia, the PP leader voiced support for NATO's intervention "to put the Serbs from Bosnia in their proper place" adding that he wished NATO had intervened sooner than that.

In the sight of Aznar, ethnical and racial cleansing in former Yugoslavia" [no opening quotation mark as received] is "the dirtiest and most heinous aspect of irrational nationalism."

With regard to the resumption of nuclear tests by France, Aznar — who has recently met with French President Jacques Chirac — said that that is a state decision that must be respected, "although one does not endorse it or sympathize with it."

Aznar voiced optimism about the future of the EU, the Common Market of the South [Mercosur], and NAFTA, which will become the "world's hubs of commerce." He stated that the future agreement between the EU and Mercosur will be most beneficial for southern cone countries.

The PP leader pointed out that Spain's "natural destiny is Europe and that its adhesion to the EU has not hampered in the least relations between Latin America and the mother country. On the contrary, he said that this was "a plus."

Aznar declared that the Americas constitute a natural part of Spaniards' identity. He went on to say that if he becomes head of government Spain will continue to be a "bridge" between Latin America and the EU and to struggle so that the latter "will not turn exclusively to Eastern European countries."

The PP leader stated: "We (Spaniards and Latin Americans) must devise the way to give quantitative momentum to political, economic, and cultural relations in the 21st Century."

Finance Minister Mosca Interviewed

PY1409015895 Montevideo EL PAIS in Spanish 3 Sep 95 pp 16, 17

["Exclusive" interview with Economy and Finance Minister Luis Mosca by EL PAIS reporter Carlos Pauletti; place and date not given]

[FBIS Translated Excerpt] [Pauletti] You said that next year's budget will be austere and yet investments are estimated to rise considerably...

[Mosca] That is right, the administration gave top priority to the undertaking of infrastructure projects. We naturally worked out next year's budget taking into account the enactment of the social security reform law.

This is why the 1996 budget is basically similar to this year's budget. Only as of 1997 are major changes introduced. Next year's budget priorities include civil engineering works — which will meet the need to complement and provide the necessary infrastructure of productive sectors — and socially-oriented public works.

It also contemplates an ambitious housing program, the necessary investments to effect the education reform, and outlays to meet health care requirements.

[Pauletti] Productive sectors have high expectations of a tax cut, as has been announced.

[Mosca] Every budget invariably contains provisions to perfect the tax system currently in force and to curb tax evasion. Still the most significant change prescribed in this year's budget has to do with the wealth tax.

It provides that the wealth tax is to be levied on the heads of companies engaged in activities falling into the category of those subject to the profits tax on industry and commerce activities and on agricultural activities, and the tax on farming activity, irrespective of the legal standing they opt for undertaking these activities.

While corporations having bearer shares and foreign corporations are liable to pay the wealth tax as taxpayers, the rest of companies must up to now declare their stockholders' equity and the latter is included in individuals' income tax statement and have a progressive rate structure.

The modification we are proposing seeks to lower taxes on the aforementioned productive activities to 1.5 percent. In addition, there is an additional investment tax credit [ITC] whereby taxpayers will be able to deduct up to 50 percent of income tax from the wealth tax, thus giving an effective rate that may be as low as 0.75 percent.

I want to make it clear that the ITC is only applicable to capital invested in productive activities. The objective is to enhance the competitiveness of productive sectors and to ease off their tax burden. I personally think that this is the type of measure that may have a beneficial impact on employment, investment conditions, and the public's well-being.

[Pauletti] Mr. Mosca, what is the reason for granting a tax credit to the wealth tax when Uruguayans are weighed down by the heavy burden of personal income taxation?

[Mosca] The only way to fully understand this is by considering that given the integration process we are pushing forward, we must make every endeavor to facilitate the establishment of new companies and the undertaking of new ventures. Otherwise, there will be no improvement in Uruguayans's standard of living. Therefore, by having more investments, greater economic activity, more jobs, the people will have more possibilities and higher incomes, and the government will be able to progressively lower those taxes that have a direct impact on taxpayers' pockets. [passage omitted]

[Pauletti] Changing the subject, is there any estimate or idea of how long the economic downswing will last?

[Mosca] It is difficult to make such an estimate. One may have one's doubts as to how long it will take to overcome this situation. Nevertheless, one ought not to be the prisoner of the economic situation and let oneself be overpowered by it. One has to do the groundwork for boosting economic growth.

This is the reason why the enactment of the social security reform law and the streamlining of the government constitute an important step forward. And likewise, the promotion of investments. This is what doing the groundwork for boosting economic growth is all about.

Personally speaking, I am optimistic that Argentina will continue to deftly and accurately steer the present adjustment phase. I am optimistic about the measures Brazil is adopting, which will be instrumental in attracting important equity flows into the country, which will in turn boost demand for Uruguayan goods and services.

I hope that despite all the advances and regressions in the integration process, the latter will get over them. This does not mean that we cannot explore other possibilities, like our entry into the beef market certified as free of hoof-and-mouth disease, closer ties with the EU, Chile, Bolivia, and other members of the Latin American Integration Association through Mercosur [Common Market of the South].

[Pauletti] The August inflation rate — which stood at 3.4 percent — was released to the media some hours ago. It seems as if Uruguay is unable to roll back inflation below 44 percent. In other words, there has not yet been any distinct improvement in this regard.

[Mosca] Let us recall that we had already announced that there would be a discontinuity in the downward inflation trend in August. A concurrence of several price increases in items having a great bearing on the cost of living such as health care, transportation, fuels, public utility rates, meat, and wheat, among others, caused that rise in the August inflation figures.

We had projected in our program a figure higher than 3 percent and the cost of living turned out to be some decimal points higher than estimates. We are nonetheless thoroughly convinced that things will return to normal in the fourth quarter. As I have already said, we expect that the 12-month inflation rate to 31 December will be lower than 40 percent.

[Pauletti] It was leaked a few days ago that you had urged the Mortgage Bank to expedite the approval of loans for new houses as a priority over loans for secondhand houses.

[Mosca] I believe that, under the current circumstances, it undoubtedly would be appropriate to allocate a significant portion of the loans approved by the Mortgage Bank, totalling about $13 million per month, for new houses.

We believe this is a correct measure for maintaining labor and growth in a sector that is going through a very difficult situation. [passage omitted]

[Pauletti] The unemployment rate again grew a bit...

[Mosca] This represents an issue of great concern for the government. I trust that all of us remember that, when we drew up the measures for adjusting the financial system and improving competitiveness, we discussed the existence of this problem and the necessity of quickly taking corrective measures as it would be very difficult to curb the unemployment rate growth during a recessive period in Argentina, a country that represents a driving force in the Uruguayan economy.

I believe it is necessary to recognize all the housing programs that have been implemented under this budget law. In 1994, the Housing Ministry allocated $55 million for housing projects, which exceeds the funds that had been allocated over the past five years. This year the Housing Ministry's allocations have nearly doubled. Funds have also been allocated for the Mortgage Bank. An enterprising five-year housing program has been established. This will create job opportunities.

Second, establishing a favorable atmosphere for attracting investments represents the best and most solid guarantee, the strongest antidote for protecting us against higher unemployment rates. In this regard, we have been implementing a series of measures that will also be complemented.

Another issue involves monitoring developments because the employment rate has been fairly stable so far. It can be readily noticed that labor supply represents a key factor for explaining the unemployment rate growth. This is quite probably linked to the fact that incomes have fallen significantly. Of course, it is not possible to believe in improving the incomes and reducing the unemployment rate while the economy is being adjusted.

Therefore, it is essential to create job opportunities, improve the atmosphere for investments, establish more flexible conditions for company investments, and reduce the tax burden imposed on the factors of production.

Concerning the Uruguayan economy, we arc doing are homework. This is the only way of reversing the unemployment rate, which undoubtedly represents the most worrisome element in our domestic economy.

Congress Approves Social Security Reform Bill

PY1409004695 Montevideo BUSQUEDA in Spanish 24 Aug 95 p 6,7

[FBIS Translated Excerpt] The Chamber of Deputies' approval of the social security reform bill is a clear victory for the government. It will probably be the most important one in this administration. The approval broke the virtual curse that made all the initiatives presented since 1987 fail.

The version sent by the Senate was approved without amendments by 59 votes out of a total of 86. The bill was supported by the coalition of the White Party, the Colorado Party, and New Space. Opposing the bill were National Party leader Edison Sedarri and the Broad Front. Broad Front legislators were already hearing proposals on how to repeal the law by using various mechanisms.

The social security reform bill was the third important bill that the government was able to have Congress approve since its inauguration on 1 March 1995. The first two were the fiscal adjustment bill and the bill on the security of citizens. [passage omitted]

The new system. The new law establishes a system of mixed contributions and savings regime in accordance with salary levels. Workers with salaries of up to 5,000 pesos are obliged to contribute to the BPS [Social Security Bank]. However, these workers could choose between placing half of their contributions in the BPS and the other half in one of the companies administrating complementary funds.

Individuals earning between 5,000 and 15,000 pesos will contribute to the BPS an amount equivalent to the discount made for individuals earning 5,000 pesos. According to the law, these individuals are obliged to deposit the rest of their contributions in public or private institutions administering retirement funds. The law also considers special situations.

Individuals earning salaries of more than 15,000 pesos will be free to decide whether they want to contribute the amounts that exceed this figure. The monetary references mentioned in the law are expressed in constant values for May 1995 and will be adjusted according to the procedure and on the occasions established by Article 67 of the Constitution.

The law gradually raises the retirement age of women from 55 to 60, making it equal for both sexes. The new system establishes financial rewards for workers who retire at 65.

The law also raises the number of years in service necessary to retire from 30 to 35 years. The official agency will calculate the amount of pensions based on the past 10 years of contributions. This figure will be "limited by the monthly average of the best salaries earned during the past 20 years updated and increased by 5 percent."

The law also establishes that "if the calculation favors the worker, his basic retirement pension will be the updated average earning of the best 20 years as registered in his labor record."

The law puts low income pensioners in the DISSE [Directorate of Health Social Security] regime (contributions for savings and loan association) and obligates the government to propose reforms for the other state services and private social security associations by 1 January 1997. The reform must include the police and military retirement systems.

Labor-Sponsored Strike 'Visibly' Affects Montevideo

PY1409005195 Buenos Aires TELAM in Spanish 1609 GMT 12 Sep 95

[Report by unidentified correspondent]

[FBIS Translated Excerpt] Montevideo, 12 Sep (TELAM-SNI) — The PIT-CNT [Interunion Workers Plenum-National Workers Convention] United Workers Federation [Central Unica de Trabajadores] approved a partial strike for today. The strike visibly affected activities in the city.

The strike was called by the PIT-CNT, made up of socialists, communists, and Tupamaros [former guerrilla movement of the 1970's], against unemployment and the recently approved social security reform.

The strike, held between 1300 and 1700, left the Uruguayan capital without a bus service and affected the activities of banks, government offices, and state schools.

The strike followed a massive rally at the Montevideo obelisk and a march through downtown Montevideo that ended at the Congress building's front gates.

This has been the fourth strike called by the PIT-CNT since the president of Uruguay, Julio Maria Sanguinetti, was inaugurated on 1 March for his second term of office. [passage omitted]

The government responded to the PIT-CNT claims by announcing that within the next few days it would send to Congress an investment bill to encourage the creation of new jobs.

The announcement was made by Labor Minister Analia Pineyrua, during a meeting with members of the Chamber of Deputies Labor Laws Committee.

Pineyrua admitted that an upward trend has been reported for the unemployment rate. She emphasized that her ministry "is willing to channel solutions."

The labor minister also noted that the unemployment issue "must be handled as a state policy in which the two social sectors — entrepreneurs and workers — must participate."

Venezuela

Burelli Reaffirms Possession Over Los Monjes Archipelago

PA1309024395 Caracas EL GLOBO in Spanish 9 Sep 95 p 8

[Report by Enelcys Calderon]

[FBIS Translated Text] Venezuela has full possession over Los Monjes Archipelago and there is a Venezuelan naval base there, Foreign Minister Miguel Angel Burelli Rivas has said, in reference to the statements by Pedro Gomez Barrero, president of the Colombian Negotiating Commission. Gomez Barrero reportedly made the reiteration of Venezuelan sovereignty over the aforementioned archipelago conditional upon Venezuela and Colombia reaching a treaty to establish definitively their maritime rights.

In this regard, the foreign relations minister affirmed that "the statement by Pedro Gomez Barrero, president of the Border Delimitation Commission, is not a substantive remark," adding that "this in no way modifies what exists presently."

Burelli Rivas stated: "What he said is that the legality or ratification of Venezuela's control over Los Monjes would be included in a general agreement."

The Note of 1952

"What happens," the foreign minister explained, "is that Los Monjes were acquired in an unusual manner. They were acquired by virtue of a Foreign Ministry note," Burelli Rivas highlighted, in reference to the note send by Colombian Foreign Minister Juan Uribe Holguin to Venezuela on 22 November 1952.

According to Burelli Rivas, a note from a Foreign Ministry "is more powerful than a treaty because it is more express."

The foreign minister acknowledged that "that unusual, very strange manner of acquiring the recognition of a right is generally made through a treaty."

But he stressed that "this recognition came from a note from one Foreign Ministry to another Foreign Ministry."

According to Burelli Rivas, Gomez Barrero remarked that "that lack of a treaty would be overcome with a major treaty comprising the entire disputed area. I do not see in that anything that could make us be afraid," Burelli Rivas underscored after downplaying the importance of the statement from the neighboring country.

The chief of the Venezuelan diplomacy made the aforementioned statements during a meeting with reporters at the Yellow House to report on the results of the trip made by President Rafael Caldera to Quito, on the occasion of the Rio Group Summit and the Andean Pact Presidential Summit.

Less Important

When questioned about the publication in Colombia of a new map of that country, under the auspices of several Colombian institutions, Burelli Rivas downplayed the importance of this.

"The map is much less important," the foreign minister exclaimed while recognizing that after sending the note, he realized that the original cartographical mapping included Los Monjes and that the problem emerged in the reproductions of the map, given the scale of the document preparation.

The foreign minister also referred to the claim over the Essequibo territory and indicated that Venezuela had submitted 18 notes to Guyana, in accordance with the provisions of Article 5 of the Geneva Agreement. "Guyana has possession over that territory," Burelli Rivas concluded.

Mexico Applies Safeguard Clause on Venezuela Steel Imports

PA1309005495 Caracas ECONOMIA HOY in Spanish 9 Sep 95 p 23

[Report by Ana Carolina Griffin]

[FBIS Translated Text] In a news conference yesterday in the Yellow House, Venezuelan Foreign Affairs Minister Miguel Angel Burelli Rivas disclosed that Mexico had proceeded to apply a safeguard clause against Venezuelan steel imports.

The measure was adopted by the Mexican Government — within the possible application of the safeguard clause permitted by the Group of Three agreement — because it considered that Venezuelan companies were dumping (selling below national production costs).

On the other hand, Venezuela had refrained from applying a safeguard clause to seamless steel pipes for the oil industry imported from Mexico, after having considered the measure just ten days ago.

Unofficially, the Foreign Trade Institute (ICE) and the Mexican representatives in Venezuela said they were unaware of this fact, however, it was revealed that a group of Venezuelan businessmen had submitted a request for an investigation to the Anti Dumping Commission against the importation of Mexican seamless steel pipes because they believe the manufacturers were engaged in disloyal competition. Later, the accusation was withdrawn.

In the Mexican case, it was learned that two Mexican companies had requested an investigation by the Commerce and Industrial Development Secretariat (Secofi) in 1992, regarding steel imports from Venezuela. Preliminary results of the investigation revealed no subsidies existed, however, the proceedings regarding possible dumping have not been concluded.

According to statistics from the trade council of the Mexican Embassy in Venezuela, Venezuelan steel exports (in all its varieties) reached $27,876,742.00 in 1994, which represents 11.33 percent of Venezuelan exports to Mexico last year. During the same period, Mexico exported to Venezuela $17,046,851.00 dollars worth of seamless steel pipes for the oil industry.

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